



# Mark Scheme (Results)

Summer 2024

Pearson Edexcel International GCSE  
Accounting 4AC1  
PAPER 02: Financial Statements

## **Edexcel and BTEC Qualifications**

Edexcel and BTEC qualifications come from Pearson, the world's leading learning company. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information, please visit our website at [www.edexcel.com](http://www.edexcel.com).

Our website subject pages hold useful resources, support material and live feeds from our subject advisors giving you access to a portal of information. If you have any subject specific questions about this specification that require the help of a subject specialist, you may find our Ask The Expert email service helpful.

[www.edexcel.com/contactus](http://www.edexcel.com/contactus)

## **Pearson: helping people progress, everywhere**

Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: [www.pearson.com/uk](http://www.pearson.com/uk)

Summer 2024

Question Paper Log Number P75839A

Publications Code 4AC1\_02\_2406\_MS

All the material in this publication is copyright

© Pearson Education Ltd 2024

## General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark																																																																		
1(a)(i)	<p><b>Award marks as indicated.</b></p> <p style="text-align: center;"><b>Ahmed and Malik Income Statement For the year ended 31 March 2024</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;">\$</th> <th style="width: 20%; text-align: right;">\$</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td></td> <td style="text-align: right;">192 000 <b>(1)</b></td> </tr> <tr> <td>Cost of sales</td> <td></td> <td></td> </tr> <tr> <td>Opening inventory</td> <td style="text-align: right;">12 260</td> <td></td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">86 321 <b>(1)</b></td> <td></td> </tr> <tr> <td>Purchase returns</td> <td style="text-align: right;">(3 298)<b>(1)</b></td> <td></td> </tr> <tr> <td>Carriage inwards</td> <td style="text-align: right;">645 <b>(1)</b></td> <td></td> </tr> <tr> <td>Closing inventory</td> <td style="text-align: right;"><u>(14 265)<b>(1fb)</b></u></td> <td></td> </tr> <tr> <td>Cost of sales</td> <td></td> <td style="text-align: right;"><u>(81 663)<b>(1)</b></u></td> </tr> <tr> <td>Gross profit</td> <td></td> <td style="text-align: right;">110 337<b>(1of)</b></td> </tr> <tr> <td>Discount received</td> <td></td> <td style="text-align: right;"><u>663 <b>(1)</b></u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">111 000</td> </tr> <tr> <td>Expenses</td> <td></td> <td></td> </tr> <tr> <td>Rent rates and insurance</td> <td style="text-align: right;">10 000<b>(1)</b></td> <td></td> </tr> <tr> <td>Carriage outwards</td> <td style="text-align: right;">1 300<b>(1)</b></td> <td></td> </tr> <tr> <td>Depreciation - motor vehicles</td> <td style="text-align: right;">5 000<b>(1)</b></td> <td></td> </tr> <tr> <td>Discount allowed</td> <td style="text-align: right;">678<b>(1)</b></td> <td></td> </tr> <tr> <td>Motor expenses</td> <td style="text-align: right;">1 854</td> <td></td> </tr> <tr> <td>Provision for irrecoverable debts</td> <td style="text-align: right;">720 <b>(1)</b></td> <td></td> </tr> <tr> <td>Wages and salaries</td> <td style="text-align: right;"><u>44 448</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>64 000 <b>(1)</b></u></td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;"><u>47 000<b>(1of)</b></u></td> </tr> </tbody> </table>		\$	\$	Revenue		192 000 <b>(1)</b>	Cost of sales			Opening inventory	12 260		Purchases	86 321 <b>(1)</b>		Purchase returns	(3 298) <b>(1)</b>		Carriage inwards	645 <b>(1)</b>		Closing inventory	<u>(14 265)<b>(1fb)</b></u>		Cost of sales		<u>(81 663)<b>(1)</b></u>	Gross profit		110 337 <b>(1of)</b>	Discount received		<u>663 <b>(1)</b></u>			111 000	Expenses			Rent rates and insurance	10 000 <b>(1)</b>		Carriage outwards	1 300 <b>(1)</b>		Depreciation - motor vehicles	5 000 <b>(1)</b>		Discount allowed	678 <b>(1)</b>		Motor expenses	1 854		Provision for irrecoverable debts	720 <b>(1)</b>		Wages and salaries	<u>44 448</u>				<u>64 000 <b>(1)</b></u>	Profit for the year		<u>47 000<b>(1of)</b></u>	<b>(15)</b>
	\$	\$																																																																		
Revenue		192 000 <b>(1)</b>																																																																		
Cost of sales																																																																				
Opening inventory	12 260																																																																			
Purchases	86 321 <b>(1)</b>																																																																			
Purchase returns	(3 298) <b>(1)</b>																																																																			
Carriage inwards	645 <b>(1)</b>																																																																			
Closing inventory	<u>(14 265)<b>(1fb)</b></u>																																																																			
Cost of sales		<u>(81 663)<b>(1)</b></u>																																																																		
Gross profit		110 337 <b>(1of)</b>																																																																		
Discount received		<u>663 <b>(1)</b></u>																																																																		
		111 000																																																																		
Expenses																																																																				
Rent rates and insurance	10 000 <b>(1)</b>																																																																			
Carriage outwards	1 300 <b>(1)</b>																																																																			
Depreciation - motor vehicles	5 000 <b>(1)</b>																																																																			
Discount allowed	678 <b>(1)</b>																																																																			
Motor expenses	1 854																																																																			
Provision for irrecoverable debts	720 <b>(1)</b>																																																																			
Wages and salaries	<u>44 448</u>																																																																			
		<u>64 000 <b>(1)</b></u>																																																																		
Profit for the year		<u>47 000<b>(1of)</b></u>																																																																		



Question Number	Answer	Mark
<b>2(a)(i)</b>	<b>Award mark as indicated</b>  \$12 000 <b>(1)</b>	<b>(1)</b>

Question Number	Answer	Mark																																																																																							
<b>2(a)(ii)</b>	<p><b>Award marks as indicated.</b></p> <p style="text-align: center;"><b>Thelma</b> <b>Statement of Financial Position at 31 December 2023</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td><b>Assets</b></td> <td></td> <td></td> </tr> <tr> <td><b>Non-current assets</b></td> <td></td> <td></td> </tr> <tr> <td>Motor vehicles</td> <td></td> <td style="text-align: right;">17 600<b>(1)</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Current assets</b></td> <td></td> <td></td> </tr> <tr> <td>Inventory</td> <td style="text-align: right;">14 568</td> <td></td> </tr> <tr> <td>Trade receivables</td> <td style="text-align: right;">2 167</td> <td></td> </tr> <tr> <td>Other receivables</td> <td style="text-align: right;">200<b>(1)</b></td> <td></td> </tr> <tr> <td>Cash in hand</td> <td style="text-align: right;"><u>890</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">17 825<b>(1)</b></td> </tr> <tr> <td><b>Total assets</b></td> <td></td> <td style="text-align: right;"><u>35 425<b>(1of)</b></u></td> </tr> <tr> <td><b>Equity and liabilities</b></td> <td></td> <td></td> </tr> <tr> <td><b>Equity</b></td> <td></td> <td></td> </tr> <tr> <td>At 1 January 2023</td> <td style="text-align: right;">12 000<b>(1of)</b></td> <td></td> </tr> <tr> <td>Additional capital</td> <td style="text-align: right;">10 000 <b>(1)</b></td> <td></td> </tr> <tr> <td>Profit for the year</td> <td style="text-align: right;">5 135 <b>(1)</b></td> <td></td> </tr> <tr> <td>Drawings</td> <td style="text-align: right;"><u>(4 800) <b>(1)</b></u></td> <td></td> </tr> <tr> <td>Total equity</td> <td></td> <td style="text-align: right;">22 335 <b>(1of)</b></td> </tr> <tr> <td><b>Non-current liabilities</b></td> <td></td> <td></td> </tr> <tr> <td>Bank loan (2028)</td> <td></td> <td style="text-align: right;">5 000<b>(1)</b></td> </tr> <tr> <td><b>Current liabilities</b></td> <td></td> <td></td> </tr> <tr> <td>Bank loan (2024)</td> <td style="text-align: right;">3 000<b>(1)</b></td> <td></td> </tr> <tr> <td>Bank overdraft</td> <td style="text-align: right;">2 198<b>(1)</b></td> <td></td> </tr> <tr> <td>Trade payables</td> <td style="text-align: right;">2 325</td> <td></td> </tr> <tr> <td>Other payables</td> <td style="text-align: right;"><u>567<b>(1)</b></u></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">8 090<b>(1)</b></td> </tr> <tr> <td><b>Total liabilities</b></td> <td></td> <td style="text-align: right;">13 090</td> </tr> <tr> <td><b>Total equity and liabilities</b></td> <td></td> <td style="text-align: right;"><u>35 425<b>(1of)</b></u></td> </tr> </tbody> </table>		\$	\$	<b>Assets</b>			<b>Non-current assets</b>			Motor vehicles		17 600 <b>(1)</b>				<b>Current assets</b>			Inventory	14 568		Trade receivables	2 167		Other receivables	200 <b>(1)</b>		Cash in hand	<u>890</u>				17 825 <b>(1)</b>	<b>Total assets</b>		<u>35 425<b>(1of)</b></u>	<b>Equity and liabilities</b>			<b>Equity</b>			At 1 January 2023	12 000 <b>(1of)</b>		Additional capital	10 000 <b>(1)</b>		Profit for the year	5 135 <b>(1)</b>		Drawings	<u>(4 800) <b>(1)</b></u>		Total equity		22 335 <b>(1of)</b>	<b>Non-current liabilities</b>			Bank loan (2028)		5 000 <b>(1)</b>	<b>Current liabilities</b>			Bank loan (2024)	3 000 <b>(1)</b>		Bank overdraft	2 198 <b>(1)</b>		Trade payables	2 325		Other payables	<u>567<b>(1)</b></u>				8 090 <b>(1)</b>	<b>Total liabilities</b>		13 090	<b>Total equity and liabilities</b>		<u>35 425<b>(1of)</b></u>	<b>(15)</b>
	\$	\$																																																																																							
<b>Assets</b>																																																																																									
<b>Non-current assets</b>																																																																																									
Motor vehicles		17 600 <b>(1)</b>																																																																																							
<b>Current assets</b>																																																																																									
Inventory	14 568																																																																																								
Trade receivables	2 167																																																																																								
Other receivables	200 <b>(1)</b>																																																																																								
Cash in hand	<u>890</u>																																																																																								
		17 825 <b>(1)</b>																																																																																							
<b>Total assets</b>		<u>35 425<b>(1of)</b></u>																																																																																							
<b>Equity and liabilities</b>																																																																																									
<b>Equity</b>																																																																																									
At 1 January 2023	12 000 <b>(1of)</b>																																																																																								
Additional capital	10 000 <b>(1)</b>																																																																																								
Profit for the year	5 135 <b>(1)</b>																																																																																								
Drawings	<u>(4 800) <b>(1)</b></u>																																																																																								
Total equity		22 335 <b>(1of)</b>																																																																																							
<b>Non-current liabilities</b>																																																																																									
Bank loan (2028)		5 000 <b>(1)</b>																																																																																							
<b>Current liabilities</b>																																																																																									
Bank loan (2024)	3 000 <b>(1)</b>																																																																																								
Bank overdraft	2 198 <b>(1)</b>																																																																																								
Trade payables	2 325																																																																																								
Other payables	<u>567<b>(1)</b></u>																																																																																								
		8 090 <b>(1)</b>																																																																																							
<b>Total liabilities</b>		13 090																																																																																							
<b>Total equity and liabilities</b>		<u>35 425<b>(1of)</b></u>																																																																																							

Question Number	Answer	Mark
2(b)	<p><b>Award 1 mark for identification and 1 for development for each reason.</b></p> <p><b>Sample answer</b></p> <p>A business should maintain full accounting records to prepare financial statements more frequently <b>(1)</b> as the information required will be readily available <b>(1)</b></p> <p>It will help the business owners to improve their decision making <b>(1)</b> as the financial information will be more accurate and up to date <b>(1)</b></p> <p><b>Accept any other appropriate responses</b></p>	(4)

Question Number	Answer	Mark
2(c)	<p><b>Award up to 2 marks for a discussion on the meaning of each individual ratio.</b></p> <p><b>Up to 2 marks for the implication for their credit suppliers.</b></p> <p><b>Award 1 mark for a conclusion.</b></p> <p><b>Sample answer</b></p> <p>The current ratio indicates that they are just able to cover their short-term debts <b>(1)</b> whereas their quick ratio indicates that they are below the ideal ratio of 1:1. <b>(1)</b></p> <p>The implication of this for a credit supplier is that the business may experience some difficulty in meeting its short-term debts <b>(1)</b>. This will have a negative effect on the supplier who may stop supplying goods to the supplier until debts are paid. <b>(1)</b></p> <p>The liquidity of the business has worsened over the two years <b>(1)</b> which is evidenced by the reduction in both ratios.</p> <p><b>Accept any other appropriate responses</b></p>	(5)

**TOTAL FOR QUESTION 2 = 25 MARKS**  
**TOTAL MARKS FOR PAPER = 50 MARKS**

---