



# Mark Scheme (Results)

Summer 2025

Pearson Edexcel International GCSE  
In Accounting (4AC1)

Paper 02

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## 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)	<p data-bbox="320 309 762 338"><b>Award marks as indicated.</b></p> <p data-bbox="847 360 927 389" style="text-align: center;"><b>Josh</b></p> <p data-bbox="411 412 1362 441" style="text-align: center;"><b>Manufacturing account for the year ended 31 March 2025</b></p> <table border="1" data-bbox="320 461 1453 1626"> <thead> <tr> <th></th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> <th></th> </tr> </thead> <tbody> <tr> <td>Raw materials</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Opening inventory</td> <td style="text-align: right;">12 630</td> <td></td> <td></td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">164 830</td> <td></td> <td></td> </tr> <tr> <td>Closing inventory</td> <td style="text-align: right;">(16 350)</td> <td></td> <td></td> </tr> <tr> <td><b>Cost of raw materials consumed</b></td> <td></td> <td style="text-align: right;">161 110</td> <td><b>(1)</b></td> </tr> <tr> <td>Direct wages</td> <td></td> <td style="text-align: right;">94 100</td> <td><b>(1)</b></td> </tr> <tr> <td>Royalties</td> <td></td> <td style="text-align: right;">6 000</td> <td><b>(1)</b></td> </tr> <tr> <td><b>Prime cost</b></td> <td></td> <td style="text-align: right;">261 210</td> <td><b>(1of)</b></td> </tr> <tr> <td>Overheads</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Electricity</td> <td style="text-align: right;">11 200</td> <td></td> <td><b>(1)</b></td> </tr> <tr> <td>Insurance</td> <td style="text-align: right;">9 600</td> <td></td> <td><b>(1)</b></td> </tr> <tr> <td>Factory rent</td> <td style="text-align: right;">35 680</td> <td></td> <td><b>(1)</b></td> </tr> <tr> <td>Supervisor wages</td> <td style="text-align: right;">22 500</td> <td></td> <td><b>(1)</b></td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">11 112</td> <td></td> <td><b>(1)</b></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">90 092</td> <td><b>(1)</b></td> </tr> <tr> <td>Work-in-progress</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Opening inventory</td> <td style="text-align: right;">11 850</td> <td></td> <td></td> </tr> <tr> <td>Closing inventory</td> <td style="text-align: right;">(13 270)</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(1 420)</td> <td><b>(1)</b></td> </tr> <tr> <td><b>Production cost</b></td> <td></td> <td style="text-align: right;">349 882</td> <td><b>(1of)</b></td> </tr> </tbody> </table>		\$	\$		Raw materials				Opening inventory	12 630			Purchases	164 830			Closing inventory	(16 350)			<b>Cost of raw materials consumed</b>		161 110	<b>(1)</b>	Direct wages		94 100	<b>(1)</b>	Royalties		6 000	<b>(1)</b>	<b>Prime cost</b>		261 210	<b>(1of)</b>	Overheads				Electricity	11 200		<b>(1)</b>	Insurance	9 600		<b>(1)</b>	Factory rent	35 680		<b>(1)</b>	Supervisor wages	22 500		<b>(1)</b>	Depreciation	11 112		<b>(1)</b>			90 092	<b>(1)</b>	Work-in-progress				Opening inventory	11 850			Closing inventory	(13 270)					(1 420)	<b>(1)</b>	<b>Production cost</b>		349 882	<b>(1of)</b>	<b>(12)</b>
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**TOTAL FOR QUESTION 1 = 25 MARKS**

Question Number	Answer	Mark
<b>2(a) (i)</b>	<p><b>Award 1 mark for an explanation of the prudence concept and up to 2 marks for valid development.</b></p> <p>The prudence concept states that profits and assets should not be overstated <b>(1)</b>. Creating a provision for irrecoverable debts recognises that not all debts will be recovered <b>(1)</b> therefore the true value of trade receivables will be shown in the financial statements <b>(1)</b></p>	<b>(3)</b>

Question Number	Answer	Mark
<b>2(a) (ii)</b>	<p><b>Award 1 mark for an explanation of the business entity concept and 1 mark for valid development.</b></p> <p><b>Sample Answer</b></p> <p>The business entity concept states that the business is treated as being completely separate from the owner of the business <b>(1)</b> therefore the business books of account should only reflect the transactions of the business and not the owner's personal expenditure <b>(1)</b>.</p> <p><b>Accept any other appropriate responses.</b></p>	<b>(2)</b>

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<b>2(b)</b>	<p><b>Award marks as indicated</b></p> <p>\$36 784 <b>(5) W</b></p> <p><b>Working</b></p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: center;"><b>\$</b></th> <th></th> </tr> </thead> <tbody> <tr> <td>Draft profit for the year</td> <td style="text-align: right;">37 800</td> <td></td> </tr> <tr> <td>Rental income in advance</td> <td style="text-align: right;">(650)</td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Goods for own use</td> <td style="text-align: right;">280</td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Depreciation understated</td> <td style="text-align: right;">(400)</td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Provision for irrecoverable debts</td> <td style="text-align: right;">(246)</td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Revised profit for the year</td> <td style="text-align: right; border: 2px solid black;">36 784</td> <td style="text-align: right;"><b>(1)</b></td> </tr> </tbody> </table>		<b>\$</b>		Draft profit for the year	37 800		Rental income in advance	(650)	<b>(1)</b>	Goods for own use	280	<b>(1)</b>	Depreciation understated	(400)	<b>(1)</b>	Provision for irrecoverable debts	(246)	<b>(1)</b>	Revised profit for the year	36 784	<b>(1)</b>	<b>(5)</b>
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Bank overdraft	160																																																																																													
		10 850																																																																																												
<b>Total liabilities</b>		20 350	<b>(1of)</b>																																																																																											
<b>Total equity and liabilities</b>		48 454	<b>(1of)</b>																																																																																											

Question Number	Answer	Mark
2(d)	<p><b>Award up to 4 marks for assessment of the ratios. Award 1 mark for a conclusion.</b></p> <p><b>Sample Answer</b></p> <p>While the gross profit percentage has not changed over the three years the profit for the year as a percentage of revenue has worsened <b>(1)</b>, which indicates that the business needs to improve the control of expenses <b>(1)</b>.</p> <p>The return on capital employed has improved over the same period <b>(1)</b> indicating that the business is making better use of the capital invested in the business <b>(1)</b>.</p> <p>Overall profitability has deteriorated/improved over the three years <b>(1)</b></p> <p><b>Accept any other appropriate responses.</b></p>	(5)

(Total for Question 2 = 25 marks)

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TOTAL FOR PAPER = 50 MARKS