

1(a) AO1:(7) AO2(8):AO3(1)

AO1: Seven marks for recording given balances

AO2: Eight marks for calculating and correct use of balance

AO3: One marks for allowance for irrecoverable debts treatment

Towne Car Park
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 September 2024

	£	£
Revenue		250 000 (1) AO1
Less		
Other income		
Commission receivable (11 700+300)	12 000 (1) AO2	
Decrease in allowance for irrecoverable debts	400 (1) AO3	
		<u>12 400</u>
		262 400
Less expenses:		
Administrative wages	24 000 (1) AO1	
Bank loan interest (2 800 + 700)	3 500 (1) AO2	
Electricity (8 270 + 1050)	9 320 (1) AO2	
Equipment repairs	15 400 (1) AO1	
General expenses	8 900 (1) AO1	
Insurance	4 600 (1) AO1	
Management salaries	26 500 (1) AO1	
Depreciation - premises	15 000 (1) AO2	
- equipment	20 000 (1) AO2	
office fixtures	13 000 (1) AO2	
Provision for legal claim	4 000 (1) AO2	
Rates (14 800 - 800)	14 000 (1) AO2	
Security staff wages	<u>32 450 (1) AO1</u>	
		(190 670)
		<u>71 730</u>
Profit for the year		

(16)

(14)

(c) AO1:(3)

AO1: Three marks for stating the type of expenditure

- Purchase of electric chargers Capital expenditure (1) AO1
- Electricity for electric chargers Revenue expenditure (1) AO1
- Maintenance of electric chargers. Revenue expenditure (1) AO1

(3)

(d)(i) AO2(2):AO3(2)

AO2: Two marks for calculating annual opening hours and total revenue

AO3: Two marks for calculating total usage hours

Revenue from operating the five electric charging points

		£
Opening hours annually	$100 \times 50 = 5\,000$ [1] AO2	
Usage hours	$3 \times (5\,000 \times 80\%) = 12\,000$ [1] AO3	
	$2 \times (5\,000 \times 60\%) = 6\,000$ [1] AO3	
Revenue	$(12\,000 + 6\,000) \times \text{£}2.5$ [1] AO2	45 000 (4) AO2/AO3

(4)

(d)(ii) AO2(4):AO3(2)

AO2: Four marks for calculating and correct use of figures

AO3: Two marks for calculating total depreciation

Cost of operating five electric charging points

		£
Depreciation	$(5 \times \text{£}5\,000) [1] \times 20\% [1]$	5 000 (2) AO3
Installation	$5 \times \text{£}900 \times 20\%$	900 (1) AO2
Maintenance	$5 \times \text{£}1\,200$	6 000 (1) AO2
Electricity usage	$18\,000 \text{ hours} \times \text{£}1.50 [1]$	27 000 (1) AO2
		<u>38 900 (1of) AO2</u>

(6)

(e) AO1 (1), AO2 (1), AO3 (5), AO4 (5)

Points for installing electric car chargers

The car park does make a profit in the year on the use by customers of electric charging points.
It will be answering demand as electric cars become more common place.
It is positive for the environment helping to reduce pollution.
It extends the range of services offered by the car park.

Points against installing electric car chargers

The profit made in a year is very small.
The projections are estimates only.
It requires greater management and maintenance than just the provision of a car park space.
Risk of vandalism and theft of monies will increase.
Requires a considerable initial capital outlay.
The projections are only estimates and may be inaccurate.

Decision

Candidates may conclude that it is/is not recommended that electric car charging points be installed. Candidates' decision should be supported by an appropriate rationale.

ACCEPT ANY OTHER VALID POINTS financial or non-financial

Level	Mark	Descriptor
	0	A completely incorrect response.
Level 1	1-3	Isolated elements of knowledge and understanding recall based. Weak or no relevant application to the scenario set. Generic assertions may be present.
Level 2	4 - 6	Elements of knowledge and understanding, which are applied to the scenario. Chains of reasoning are present, but may be incomplete or invalid. A generic or superficial assessment is present.
Level 3	7 - 9	Accurate and thorough understanding, supported throughout by relevant application to the scenario. Some analytical perspectives are present, with developed chains of reasoning, showing causes and/or effects. An attempt at an assessment is presented, using financial and non-financial information, in an appropriate format and communicates reasoned explanations
Level 4	10 - 12	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective application to the scenario.

		<p>A coherent and logical chain of reasoning, showing causes and effects.</p> <p>Assessment is balanced, wide ranging and well contextualised using financial and non-financial information and makes informed recommendations and decisions.</p>
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(12)

Q1	Total marks	55
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