2009 Accounting

Intermediate 2– Special Instructions

Finalised Marking Instructions

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2009 ACCOUNTING

MARKING CONVENTIONS

CONVENTION	**EXPLANATION**	**MARK(S) ON CANDIDATE PAPER**
Extraneous	Item entered which should not be in the answer or section – for example Fixed Assets entered in the Profit and Loss Account or Income and Expenditure Account	-2E
Consequential	If a figure in the question is wrong, any further calculations are awarded marks if correct, as a consequence of using that figure	C
Nomenclature	The details in an account are wrong/ missing	-1N
Dates	The date for an entry is wrong/missing	-1D
Complete Reversal	All the ledger entries are made the wrong way round The question is marked as if correct and then the total mark is divided by 2	R eg Total Mark = 12 Divided by 2 Mark awarded = 6
Plus/Minus Rule	If an entry is shown correctly it is awarded the mark (+). If the same entry then appears again in another part of the question the mark is deducted (-) ie no mark is gained and there is no penalty	eg Correct entry £60,000 Sales in the Trading Account Mark awarded 1 (+-) Wrong entry £60,000 Sales also entered in the Profit & Loss Mark deducted -1 (+-)
Penalty	The answers given are more than required (4 given instead of 3) and one of them is wrong. A heading is wrong/missing from a final account. The answer is correct but not given in the format requested ie question asks for an account or a statement	-1P
Arithmetical error	Error made in addition/subtraction etc	-1A/E

General

1 Assess pencil figures and working. If the script is predominantly in pencil refer to the Principal Examiner.

2 Work which has been deleted gains no marks even if it is correct. Exceptional cases may be drawn to the attention of the Principal Examiner.

3 Consequential errors MUST NOT be penalised, subject to the marking instructions for each question.

4 Mark workings whether or not they are incorporated in the final answer. Deduct a penalty of -2 marks per question for working which is not incorporated in the final answer.

5 Incorrect figures, supported by adequate workings – award marks for any correct operations performed.

6 Incorrect figures, not supported by adequate workings – lose awards, unless the marking instructions specify otherwise. If arithmetic error – lose 1 mark.

7 EXTRANEOUS ITEMS: <u>see instructions for specific questions.</u>

Penalties should be shown beside the figure and encircled, eg -1P -1E -1 +/-

8 If right and wrong ie in 2 sections, give value of award where right, deduct value of award where wrong (cross reference +/- against relevant figures).

9 Indicate awards given for each item, eg £2,500 1

In essay type questions indicate marks awarded beside the point made by candidate – NOT IN THE MARGIN.

Sub-totals for sections should be indicated and encircled, eg 4/6

Final total should be clearly indicated and easy to check, eg Q1 = 31/40

Question 1

Ali-Mohamod Plc

		Award Marks Lost	Penalties
(a)	Trading Profit and Loss and Appropriation (15 marks)		
	There is no award for Main Heading BUT wrong (ie as at) or omitted apply Penalty once only		1 once
	Ignore omission of £ sign or 000's added to all figures		
	Arithmetic slips		1 each
	Items in wrong section lose appropriate award BUT NO PENALTY		
	Item in 2 sections apply +/- rule BUT NO PENALTY		
	EXTRANEOUS ITEMS ie Balance Sheet items BUT Trial Balance figures for Prov for Bad Debts and Prov for Depn are NOT EXTRANEOUS		2 (Max 4)
	Labels omitted lose award: Gross Profit Net Profit before Tax Unappropriated Profit c/f	1 each	
	Insurance not £68 BUT £73 or £78 award 1 mark	2 1	
	Wages and Salaries not £220 But £200 or £180 award 1 mark	2 1	
	Increase in Prov for Bad Debts not £2 (£10 gets 0 award) Figure correct but wrong effect	2 1	
	Debenture Interest not £40	1	
	Corporation Tax figure wrong or not deducted	1	
	P/L Bal B/f not added	1	
	Ord Dividend not £60 ie right/wrong Pref Dividend not £8 ie right/wrong If Share Capital ADDED to Dividend – lose dividend award	1 1 1 each	
	NB Net Profit Before Tax, P&L A/C Balance are consequential on candidate's answer		
	Any other figure wrong/omitted/wrong effect	1 each	

			Award Marks Lost	Penalties
	BALANCE SHEET 17 marks			
	There is no award for heading BUT if heading omitted/wrong ie year ended			1 once
	If item under wrong heading – lose award BUT NO PENALTIES			
	Item in 2 sections – apply +/- rule			
	Extraneous items (ie Revenue items)			2 each (Max 4)
	Furn/Fittings – Depreciation wrong/not consequential All items are worth 1 mark		1	
	Do not accept Prov for Bad Debts as a Current Liability			
	WATCH FOR CONSEQUENTIALITY IN THE FOLLOWING FIGURES			
	Proposed Dividends P&L A/C Balance			
	All other items are right/wrong ie if figure wrong/omitted/wrong effect		1	
	BUT Ordinary/Preference Shares must state either the number or value of shares		1 once	
	Debentures must be last item		1	
	Reserves must be shown separate from shares			1
(b)	**(i)**	Right/wrong and no consequentiality Do not accept Business Plan	2 each	
	(ii)	Right/wrong	2 each	

Question 2

Grant and Adam

		Award Marks Lost	Penalties
(a)	Award marks as per solution BUT For Error 3 award full marks for one entry of Discounts £2,400 in credit column		
	For Errors 2, 4 and 5, both account and amount must be correct to gain award of 2 marks but	2 each	
	if amount only is wrong	1 each	
(b)			
	Net Profit not £71,650	1	
	Interest on Capital figures – figure for Grant wrong lose award	1	
	If Capital figure for Adam is based on £100,000 and correct award 1 mark (£6,000)	1	
	If both figures added to Net Profit		1
	Salary wrong/omitted/not deducted	1	
	Grant's profit share not 3/5 of residual profit	2	
	Adam's profit share not 2/5 of residual profit	2	
	Extraneous: Capital, Drawings, Current A/C Balances		2 once
(c)	**Current Account**		
	Mark as per solution but consequential on candidate's Appropriation figures		
	BUT Complete reversal award half marks ie 3 marks (applies to entries not to Opening Balance)	4	
(d)	Award 2 marks each to any reasonable answer for (i), (ii) and (iii) Partially correct answers could gain 1 mark		

Question 3

D Palmer

Part A

	Award Marks Lost	Penalties
(a) Manufacturing Account (16 marks)		
Main Heading wrong or omitted		1
Items in wrong sections lose 1 award mark each	1 each	
<u>Cost of Raw Materials Consumed</u>		
All entries are worth 1 mark		
Any item wrong/omitted/wrong effect	1	
Cost of Raw Materials Consumed not labelled/not consequentially correct		1
Ignore stocks of WIP and Finished Goods but if they appear in appropriate sections later apply +/-		
<u>Prime Cost</u>		
Productions Wages award 1 mark for £530 or £500	1	
Prime Cost not labelled		1
If items subtracted from Cost RM Consumed		-2
<u>Factory Overheads</u>		
Depreciation on Factory Machinery not £115	1	
Repairs to Factory Machinery not £26	1	
Indirect Factory Labour not £38	1	
Heat and Light award 1 mark for £56, £64, £74 or £90	1	
£80 or £70 receives 0 award	2	
Insurance award 1 mark for £81, £96, £105 or £108	1	
£120 or £135 receives 0 award	2	
Rent and Rates not £120	1	
WIP (start) and WIP (end) wrong/omitted/wrong effect	1 each	
Factory Overheads subtracted		-2
but if it says ADD and then subtracts: treat as arithmetic slip		-1
Factory cost of Finished Goods wrong/not consequential/not labelled		-1
Extraneous items ie Trading, Profit and Loss or Balance Sheet items		-2 (max -4)

Question 3

Paul Schyma

Part B

			Award Marks Lost	Penalties
(a)	**(i) and (ii)**	Award 1 mark for correct formula and award 1 mark for correct application of formula		
	(iii)	Award 2 marks for correct calculation of Expenses and Award 2 marks for correct application of formula		
		Must have % in final answer for items i, ii, iii and v and times for iv (penalise % once only)		1
	(iv)	Award 2 marks for correct calculation of Cost of Goods Sold		
		Award 2 marks for correct application of formula		1
		Must have "Times" inserted in final answer		1
	(v)	Award 1 mark for correct formula and Award 1 mark for correct application of formulae		Max 2
	(vi)	Award 1 mark for correct formulae and Award 1 mark for correct application of formulae		
		If "days" omitted If not to nearest day		1
(b)	Award 1 mark for calculation of increase			
	Award 1 mark for adding original sales figure			
(c)	Mark as per solution (i) Trading Account		1	

Question 4

		Award Marks Lost	Penalties
(a)	Indirect Materials and Indirect Labour are worth 1 mark each per line. Any figure wrong/omitted/additional figures	1 per line	
	All other figures are worth 1 mark each Any figure wrong/omitted/wrong basis	1 each	
(b)	Not Finishing Department Total/Consequential/ Divided by 4,000 hours	2	
	£ sign missing		1
(c)	Mark as per solution – right/wrong		

Question 5

Rattray & Co

Part A

			Award Marks Lost	Penalties
		No label of Units of £ in final answers		1 once
(a)		Right or wrong – mark as per solution		
		If Fixed Costs of £36,000 are included		2
		VC per unit £45.60		2
(b)		Sales not divided by no of units	2	
		VC per unit not candidate's answer to (a)	1	
		Contribution per Unit of £2.40 is consequentially correct		
(c)		Wrong formula for BEP	2	
		FC not divided by candidate's answer to (b)	1	
		Sales value – mark as per solution		
		No of units will be consequential on candidate's answer		
(d)		Profit over BEP not 8,000 units less candidate's answer to (c)	2	
		Not multiplied by candidate's answer to (b) or	1	
		Total Contribution not 8,000 x Candidate's answer to (b)	2	
		FC not Subtracted	1	
		Must state/label Profit or Loss		1
(e)		FC of £36,000 right or wrong	1	
		Profit of £36,000 not added to FC	2	
		Not divided by candidate's answer to (b)	1	
Part B				
(a)	**(i)**	Material, direct expenses and overheads are right/ wrong	2	
		Labour – 500 x £10 or 120 x £12 (£5,000 and £7,500)	2	
		500 x £15 (£1,440) and 120 x £24 (£1,800)	2	
	(ii)	Profit not 25% of answer to (i)	1	
		VAT calculated on Cost only	2	
		VAT omitted	2	
		VAT correct but subtracted	1	
		Selling Price wrong/not consequential/not labelled	1	
(b)		Mark as per Solution		

Question 6

J Howe

Part A

			Award Marks Lost	Penalties
		NO ATTEMPT at a Cost Statement ie figures only		2
(a)	**(i)**	Fuel: not 1,500 miles x 50 weeks	2	
		not divided by 5 miles	1	
		not x by 90p	1	
		Wages: Basic: not 35 hours x 50 weeks	2	
		not x £12.50	1	
		Servicing: not 75,000 divided by 15,000 miles	2	
		not x £300	1	
		Tyres: not 75,000 miles divided by 25,000 miles	2	
		not x 6 tyres	1	
		not x £100	1	
		Annual Licenses: right or wrong	1	
		Insurance per lorry not £6,000	1	
		not divided by 6	1	
		Depreciation per lorry: not £100,000 - £20, 000	2	
		not divided by 8 years	1	
		Total Cost Per Lorry not shown	1	
		Not labelled **OR** no main heading		1
	(ii)	Annual Cost for all 6 lorries, right/wrong/consequential	2	
Part B				
(a)		Materials and Wages wrong/omitted	1 each	
		Overheads wrong/omitted	2	
		Normal Loss not 250 kg	1	
		Normal Loss not valued at 0.40p per kg	1	
		Output not 2,250 kg	1	
		Cost per kg not £4.40/consequential	2	
		Output value not 2,250 x Cost per kg	2	
		Must be in Account form or if a list treat as all debit Any label missing		1 once
(b)		Mark as per Solution		

[END OF MARKING INSTRUCTIONS]