



National  
Qualifications  
SPECIMEN ONLY

**S800/75/11**

**Accounting**

Date — Not applicable

Duration — 2 hours

**Total marks — 130**

**Section 1 — 70 marks**

Attempt BOTH questions.

**Section 2 — 60 marks**

Attempt ALL questions.

Write your answers clearly in the workbook provided.

Use **blue** or **black** ink.

All working should be shown fully and clearly labelled.

**You may use a calculator.**

Before leaving the examination room you must give your workbook to the Invigilator; if you do not, you may lose all the marks for this paper.



\* S 8 0 0 7 5 1 1 \*

**SECTION 1 — 70 marks**  
**Attempt BOTH questions**

**1. PART A**

The following transactions relate to the accounts of Olympic Sports for Year 1:

- 1 July      The following opening balances are required to be entered: (NOTE – VAT of £330 Cr has already been entered)  
                  Bank Overdraft: £120  
                  Trade Receivable – Pro Fit: £900
- 8 July      Received payment into our bank from Pro Fit for £810, in full settlement of their account after they took up a 10% cash discount.  
                  A credit note was issued to Pro Fit to account for the amount of VAT that was included on the original invoice that now no longer needs to be paid. The VAT total on the original invoice was £150.
- 15 July     M O’Boyle purchased goods on credit costing £540 plus VAT.
- 16 July     Bought an office computer on credit from Office Solutions worth £510 plus VAT.
- 20 July     M O’Boyle returned damaged goods worth £65 plus VAT.
- 28 July     Withdrew £200 from the business Bank Account and transferred to Cash Account.

**Note:** VAT is to be applied at 20% where appropriate.

- (a) Using the information above, enter the transactions into the ledger accounts of Olympic Sports on **pages 02–04 of your workbook.**

**24**

The owner of Olympic Sports wishes to expand the business.

- (b) Other than borrowing money, justify one source of finance available to a sole trader looking to expand their business.

**1**

## 1. (continued)

**PART B**

After the Financial Statements were prepared, the following errors were discovered in the accounts of Ayesha Rose:

- (1) An invoice for the Purchase of goods for £400 plus VAT of £80 had been omitted.
  - (2) Sales Revenue Returns were under-added by £50.
  - (3) Insurance paid of £220 had not been recorded.
  - (4) The sale of goods to A. Green for £280 plus VAT had been correctly recorded in the Sales Revenue and VAT accounts but debited to the B. Green Account.
  - (5) Discount Received of £100 had been recorded as Discount Allowed.
  - (6) Advertising of £459 had been recorded in the accounts as £549.
- (a) On **page 05 of your workbook**, complete the template showing the effect of correcting these errors on the Profit for the Year. You must highlight the effect as follows:
- |                                   |          |
|-----------------------------------|----------|
| Increase or Decrease or No Effect | <b>9</b> |
|-----------------------------------|----------|
- (b) Suggest one reason why Ayesha Rose would prepare a Trial Balance. **1**

[Turn over

2. Bashir Ragpoor plans to start up in business on 1 April Year 1 with £150,000 in his business bank account.

The following estimates relate to his first 3 months in business from April to June:

Sales (in units)		
APRIL	MAY	JUNE
6,000	10,000	8,000

- (1) The selling price per unit for credit sales will be £60.
- (2) Upfront cash sales will receive a discount of 5% on the selling price.
- (3) 70% of total monthly sales are paid upfront and 30% will be sold on one month's credit.
- (4) Dividends of £7,000 were received in the month of May.
- (5) Production in April will be 24,000 units, rising by 2,000 units every month.
- (6) Material costs will be £14 per unit — these will be purchased in the same month as production and paid for one month later.
- (7) Labour costs are £9 per unit, payable in the same month as production.
- (8) Variable overheads are £2 per unit, paid for the month after production.
- (9) Fixed overheads will be £8,000 per month.
- (10) A van will be purchased in May for £40,000 — this will be paid in four equal instalments starting in June.
- (11) Rent payable will be £2,000 per month, increasing by 25% in June.

You must show all your working.

- (a) Using the above information, on **page 06 of your workbook**, prepare a Cash Budget for Bashir Ragpoor for the 3 months April to June showing clearly opening and closing bank balances for each month. 29

Answer questions (b)–(c) on **pages 07–08 of your workbook**.

- (b) Describe 3 ways Bashir could deal with any cash shortfalls. 3
- (c) The van Bashir proposes to buy will have to be depreciated in the future.
  - (i) Describe the term “depreciation”. 1
  - (ii) State 2 possible causes of depreciation. 2

## SECTION 2 — 60 marks

Attempt ALL questions

3. Wenbo Chen owns a manufacturing business. There are 2 Production Departments (Dept. A and Dept. B) and one Service Department (Dept. C). The following information relates to these Departments:

	Indirect Wages	Floor Area (sq m)	Value of Machinery	No of Employees
Dept. A	£15,200	2,500	£60,000	15
Dept. B	£19,200	1,900	£80,000	10
Dept. C	£37,600	1,100	£40,000	7
Total	£72,000	5,500	£180,000	32

Estimated overhead expenditure for the forthcoming year is as follows:

<u>Overheads</u>	<u>Cost</u>
Indirect Wages	£72,000
Supervisor Salaries	£56,000
Factory Rates	£49,500
Equipment Insurance	£16,200
Heating & Lighting	<u>£38,500</u>
	£232,200

Using the information above, on **page 09 of your workbook**, you are required to:

- (a) Complete the Overhead Analysis Sheet to show the overheads to be allocated or apportioned to each department. 10
- (b) Re-apportion the total overheads of Dept. C to the other departments on the basis of number of employees. 4
- (c) State one method of apportioning overheads to cost centres, other than the methods used above. 1

[Turn over

4. Write your answer to this question on **pages 10 and 11 of your workbook.**

John Daws runs a landscape gardening business and has undertaken Job 177 which lasted for 2 weeks.

The following information relating to Week 1 of Job 177 has been taken from labour time sheets:

Monday 18/3:	8 hours
Tuesday 19/3:	9 hours
Wednesday 20/3:	9 hours
Thursday 21/3:	8 hours
Friday 22/3:	5 hours

Labour is charged at £11 per hour, but work done in excess of 35 hours in any week on an individual job is charged at time and a half for each additional hour.

- (a) Calculate the total labour cost for Week 1 to be charged to Job 177.

5

The following information relates to the remainder of Job 177:

**Materials**

Grass Turf:	48 square metres @ £14 per square metre
Soil:	62 bags @ £2.50 per bag
Greenhouse:	Specification 3

Greenhouses come in 6 specifications, each one 20% more expensive than the previous one. Specification 1 (the cheapest) is £500.

**Labour**

Week 2:	29 hours worked
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**Direct Expenses**

Week 1:	£127
Week 2:	£156

**Additional Info**

Mark-up is at the rate of 40% and VAT is charged at 20%

- (b) Using the information above, and also the information from (a), prepare a Job Cost Statement clearly showing the final Selling Price of Job 177.

10

5. The following balances were extracted from the ledger of Jackie Manson's business on 30 June Year 2:

	£
Equity	50,000
Drawings	6,200
Trade Receivables	1,300
Trade Payables	1,100
Inventory	4,200
Premises	195,000
Mortgage	158,300
Sales Revenue	94,600
Purchases	62,700
Carriage In	200
Carriage Out	400
General Expenses	33,700
Discount Received	300
Bad Debts	600

- (a) Using the above information, complete the Trial Balance on **page 12 of your workbook**.

10

Answer questions (b) and (c) on **page 13 of your workbook**.

Jackie has bad debts and therefore wants to create a Provision for Bad Debts Account.

- (b) Describe what is meant by:

- |                              |   |
|------------------------------|---|
| (i) Bad Debts                | 1 |
| (ii) Provision for Bad Debts | 1 |

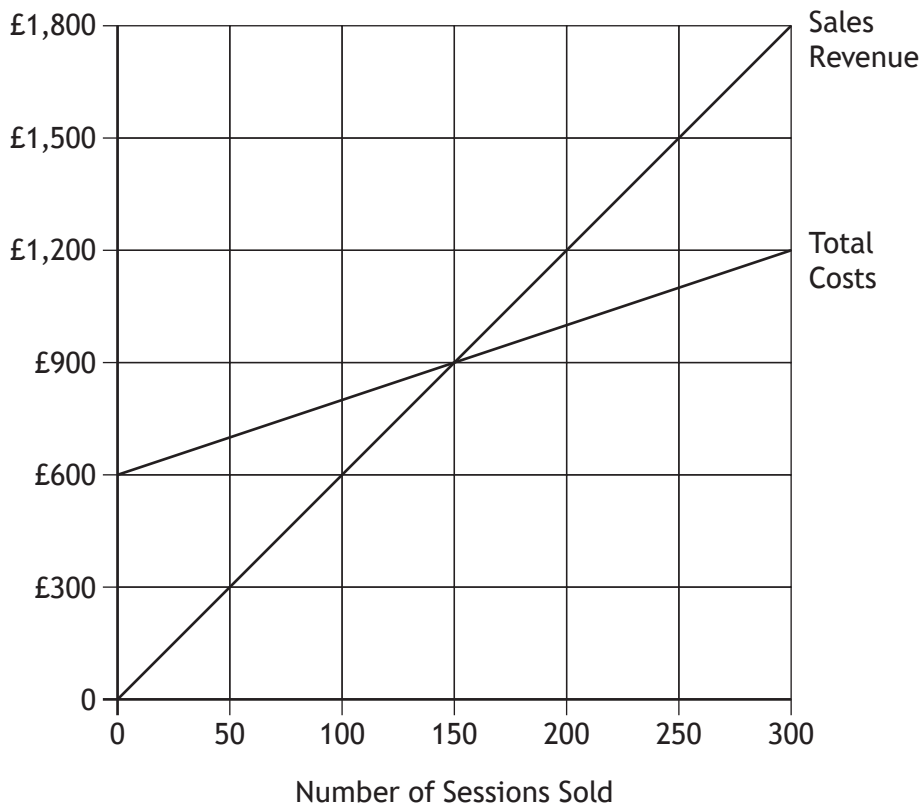
- (c) Describe a purpose of the following documents that Jackie sends to her customers. (You should describe a different purpose for each document.)

- |                            |   |
|----------------------------|---|
| (i) Invoice                | 1 |
| (ii) Credit Note           | 1 |
| (iii) Statement of Account | 1 |

[Turn over

6. Use pages 14 and 15 of your workbook to answer this question.

The following chart shows the estimated October sales revenue and costs of Katie Schwarber who runs Health & Fitness classes. She also provides a fruit smoothie and nutrition bar for everyone attending.



- (a) Using the chart above, state the following:
  - (i) Break-even in terms of number of sessions sold and also sales revenue 2
  - (ii) Fixed Costs. 1
  
- (b) Calculate the following:
  - (i) Selling Price per session 2
  - (ii) Variable Cost per session 2
  - (iii) Contribution per session 2
  - (iv) Profit or Loss if 230 sessions are sold in October. 3
  
- (c) Calculate how many sessions Katie needs to sell to make a profit of £1,000 in October. 3

[END OF SPECIMEN QUESTION PAPER]



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Mark

**S800/75/01**

**Accounting  
Workbook**

Date — Not applicable

Duration — 2 hours



\* S 8 0 0 7 5 0 1 \*

Fill in these boxes and read what is printed below.

Full name of centre

Town

Forename(s)

Surname

Number of seat

Date of birth

Day

Month

Year

Scottish candidate number

Write your answers clearly in this workbook. Additional space for answers is provided at the end of this workbook. You must clearly identify in the margin the question number you are attempting.

All working should be shown fully and clearly labelled.

**You may use a calculator.**

Use **blue** or **black** ink.

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\* S 8 0 0 7 5 0 1 0 1 \*



For use with question 1 PART A

Ledger Accounts of Olympic Sports

**IMPORTANT NOTE:** There may be more blank ledger accounts than are required to complete the question.

Account Name: VAT Account							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p
1 July	Balance					330	00

Cr

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p



Question 1 PART A (continued)

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

[Turn over



**Question 1 PART A (continued)**

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

(b) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

For use with question 1 PART B

(a)

Effect on Profit for the Year		
Error	Increase/Decrease/No Effect	Amount
1		
2		
3		
4		
5		
6		

(b)

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[Turn over



For use with question 2 (a)




\* S 8 0 0 7 5 0 1 0 6 \*







## Worksheet for question 3 (a) and (b)

## Overhead Analysis Sheet

Overhead	Basis	Total (£)	Dept. A (£)	Dept. B (£)	Dept. C (£)
Indirect Wages					
Supervisor Salaries					
Factory Rates					
Equipment Insurance					
Heating & Lighting					
<b>Total Overheads</b>					
Dept. C					
<b>Total Production Overheads</b>					

(c) Method \_\_\_\_\_



\* S 8 0 0 7 5 0 1 0 9 \*

For use with question 4

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\* S 8 0 0 7 5 0 1 1 0 \*



## Worksheet for question 5 (a)

Trial Balance for Jackie Manson as at 30 June Year 2		
	DR £	CR £
Equity		
Drawings		
Trade Receivables		
Trade Payables		
Inventory		
Premises		
Mortgage		
Sales Revenue		
Purchases		
Carriage In		
Carriage Out		
General Expenses		
Discount Received		
Bad Debts		
	£	£



For use with question 5 (b) and (c)

(b) (i) Bad Debts

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(ii) Provision for Bad Debts

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(c) (i) Invoice

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(ii) Credit Note

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(iii) Statement of Account

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National  
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**S800/75/11**

**Accounting**

## Marking Instructions

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These marking instructions have been provided to show how SQA would mark this specimen question paper.

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## General marking principles for National 5 Accounting

*This information is provided to help you understand the general principles you must apply when marking candidate responses to questions in this paper. These principles must be read in conjunction with the detailed marking instructions, which identify the key features required in candidate responses.*

- (a) Marks for each candidate response must always be assigned in line with these general marking principles and the detailed marking instructions for this assessment.
- (b) Marking should always be positive. This means that, for each candidate response, marks are accumulated for the demonstration of relevant skills, knowledge and understanding: they are not deducted from a maximum on the basis of errors or omissions.
- (c) If a specific candidate response does not seem to be covered by either the principles or detailed marking instructions, and you are uncertain how to assess it, you must seek guidance from your team leader.
- (d) Consequentiality subsequent to a calculative error must be followed through, with credit being given for any errors in subsequent calculations or working.
- (e) Scored out or erased working which has not been replaced should be marked where still legible. However, if the scored out or erased working has been replaced, only the work which has not been scored out should be marked.
- (f) When marking theory questions, it is important to read the candidate's full answer as the correct answer may be invalidated by further contradictory statements. Use professional judgement.

Question	Expected answer(s)	Max mark	Additional guidance																																																																
1. PART A		24																																																																	
(a)	<table border="1"> <thead> <tr> <th colspan="8">VAT Account</th> </tr> <tr> <th>Date</th> <th>Details</th> <th colspan="2">Dr</th> <th colspan="2">Cr</th> <th colspan="2">Balance</th> </tr> <tr> <th></th> <th></th> <th>£</th> <th>p</th> <th>£</th> <th>p</th> <th>£</th> <th>p</th> </tr> </thead> <tbody> <tr> <td>1 July</td> <td>Balance</td> <td></td> <td></td> <td>330</td> <td>00</td> <td>330</td> <td>00</td> </tr> <tr> <td>8 July</td> <td>Pro Fit</td> <td>15</td> <td>00</td> <td>(1)</td> <td></td> <td>315</td> <td>00</td> </tr> <tr> <td>15 July</td> <td>M O'Boyle</td> <td></td> <td></td> <td>(1)</td> <td>108 00</td> <td>423</td> <td>00</td> </tr> <tr> <td>16 July</td> <td>Office Solutions</td> <td>102</td> <td>00</td> <td>(1)</td> <td></td> <td>321</td> <td>00</td> </tr> <tr> <td>20 July</td> <td>M O'Boyle</td> <td>13</td> <td>00</td> <td>(1)</td> <td></td> <td>308</td> <td>00</td> </tr> </tbody> </table>	VAT Account								Date	Details	Dr		Cr		Balance				£	p	£	p	£	p	1 July	Balance			330	00	330	00	8 July	Pro Fit	15	00	(1)		315	00	15 July	M O'Boyle			(1)	108 00	423	00	16 July	Office Solutions	102	00	(1)		321	00	20 July	M O'Boyle	13	00	(1)		308	00	cr cr cr cr cr	
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PLUS additional marks for the following:

**1 mark** for all dates correct.

**2 marks** if all account names are correct (do not award 1 mark for first wrong name, 2 marks for two wrong names. Ignore wrong account names thereafter.)

**2 marks** if all nomenclature correct (do not award 1 mark for first nomenclature mistake, 2 marks for two mistakes. Ignore wrong nomenclature thereafter.)

Question		Expected answer(s)	Max mark	Additional guidance														
	(b)	<ul style="list-style-type: none"> <li>• Own savings/increase equity as no repayments/or interest is paid/all profit kept by owner</li> <li>• Obtain a grant as no need to repay</li> <li>• Form a partnership/limited company as more equity/expertise/shared responsibility</li> </ul> <p>DO NOT ACCEPT - any short term methods to improve cash flow, eg Overdraft, Trade Credit etc.</p>	1															
<b>PART B</b>																		
	(a)	<table border="1"> <thead> <tr> <th>ERROR</th> <th>EFFECT</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Decrease (1) £400 (1)</td> </tr> <tr> <td>2</td> <td>Decrease £50 (1)</td> </tr> <tr> <td>3</td> <td>Decrease £220 (1)</td> </tr> <tr> <td>4</td> <td>No Effect (1)</td> </tr> <tr> <td>5</td> <td>Increase (1) £200 (1)</td> </tr> <tr> <td>6</td> <td>Increase (1) £90 (1)</td> </tr> </tbody> </table>	ERROR	EFFECT	1	Decrease (1) £400 (1)	2	Decrease £50 (1)	3	Decrease £220 (1)	4	No Effect (1)	5	Increase (1) £200 (1)	6	Increase (1) £90 (1)	9	<p>Error 5 Discount - if candidates say increase £100 award one mark, if they say decrease £100 award 0 marks.</p> <p>Error 6 Advertising - award one mark for calculating £90 and the second mark for the correct effect on the profit.</p>
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Question		Expected answer(s)	Max mark	Additional guidance	
	(b)	<ul style="list-style-type: none"> <li>• Bank loan – a sum that must be paid back with interest</li> <li>• Overdraft – taking out more money than you have from the bank</li> <li>• Loan from family/friends – may not have to pay them back</li> <li>• Personal savings – no interest to pay</li> <li>• Cut back on expenses – reduce labour costs</li> <li>• Debt factoring – selling your debt</li> <li>• Sale and leaseback – get instant cash and hire back your assets</li> <li>• Extended trade credit – getting longer to pay back debts you owe</li> <li>• Better credit control – chasing up money owed to you quicker</li> <li>• Selling unused non-current assets (this is sufficient description)</li> <li>• Increasing selling price (this is sufficient description)</li> </ul>	3	<p>Award one mark for each appropriate point.</p> <p>No marks for just naming alone, <b>an additional feature</b> must be included in candidate response.</p> <p>Accept any other suitable response.</p>	
	(c)	(i)	Depreciation is the <u>fall/loss in value</u> of <u>non-current</u> assets	1	<p>Both parts underlined are required for one mark.</p> <p>Accept an example of a Non-Current Asset.</p>
		(ii)	<ul style="list-style-type: none"> <li>• Wear and tear (use/usage)</li> <li>• Damage</li> <li>• New models/obsolete</li> <li>• Age/time</li> <li>• Changes in fashion/trends</li> </ul>	2	Any 2 for one mark each.

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3.	(a)	<table border="1"> <thead> <tr> <th>Overhead</th> <th>Basis</th> <th>Total (£)</th> <th>Dept. A (£)</th> <th>Dept. B (£)</th> <th>Dept. C (£)</th> <th></th> </tr> </thead> <tbody> <tr> <td>Indirect Wages</td> <td>Allocated</td> <td>72,000</td> <td>15,200</td> <td>19,200</td> <td>37,600</td> <td>1</td> </tr> <tr> <td>Supervisor Salaries</td> <td>No of Emp.</td> <td>56,000</td> <td>26,250</td> <td>17,500</td> <td>12,250</td> <td>2</td> </tr> <tr> <td>Factory Rates</td> <td>Floor Area</td> <td>49,500</td> <td>22,500</td> <td>17,100</td> <td>9,900</td> <td>2</td> </tr> <tr> <td>Equipment Insurance</td> <td>Equip Value</td> <td>16,200</td> <td>5,400</td> <td>7,200</td> <td>3,600</td> <td>2</td> </tr> <tr> <td>Heating &amp; Lighting</td> <td>Floor Area</td> <td>38,500</td> <td>17,500</td> <td>13,300</td> <td>7,700</td> <td>2</td> </tr> <tr> <td><b>Total OH</b></td> <td></td> <td></td> <td>86,850</td> <td>74,300</td> <td>71,050</td> <td>1</td> </tr> </tbody> </table>	Overhead	Basis	Total (£)	Dept. A (£)	Dept. B (£)	Dept. C (£)		Indirect Wages	Allocated	72,000	15,200	19,200	37,600	1	Supervisor Salaries	No of Emp.	56,000	26,250	17,500	12,250	2	Factory Rates	Floor Area	49,500	22,500	17,100	9,900	2	Equipment Insurance	Equip Value	16,200	5,400	7,200	3,600	2	Heating & Lighting	Floor Area	38,500	17,500	13,300	7,700	2	<b>Total OH</b>			86,850	74,300	71,050	1							10	No awards given for entries in Basis or Total columns.  1 for Dept. A apportionment, 1 for Dept. B and C. If wrong basis applied, second mark is consequential.
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4.	(a)	Basic hours: Week 1 - 35 hours × £11 =                  £385 (1)  Overtime: Week 1 - (39-35) × (1.5 × £11) = <u>£66</u> (1) (1)                  (1) £451 (1)	5																																																													
	(b)	<b>JOB COST STATEMENT FOR JOB 177</b>  <table style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: right;">£</th> <th style="text-align: right;">£</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Direct materials:</b></td> </tr> <tr> <td>Grass Turf (48 × £14)</td> <td style="text-align: right;">672 (1)</td> <td></td> </tr> <tr> <td>Soil (62 × £2.50)</td> <td style="text-align: right;">155 (1)</td> <td></td> </tr> <tr> <td>Greenhouse (500*1.2*1.2)</td> <td style="text-align: right;"><u>720</u> (2)</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">1,547</td> </tr> <tr> <td colspan="3"><b>Labour:</b></td> </tr> <tr> <td>Week 1</td> <td style="text-align: right;">451 (1)</td> <td></td> </tr> <tr> <td>Week 2 (29 × £11)</td> <td style="text-align: right;"><u>319</u> (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">770</td> </tr> <tr> <td colspan="3"><b>Direct Expenses:</b></td> </tr> <tr> <td>Week 1</td> <td style="text-align: right;">127</td> <td></td> </tr> <tr> <td>Week 2</td> <td style="text-align: right;">156</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>          </u> (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>283</u></td> </tr> <tr> <td><b>Total Cost</b></td> <td></td> <td style="text-align: right;"><u>2,600</u></td> </tr> <tr> <td><b>Mark Up (40% × £2,600)</b></td> <td></td> <td style="text-align: right;"><u>1,040</u> (1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>3,640</u></td> </tr> <tr> <td><b>VAT (20% × £3,640)</b></td> <td></td> <td style="text-align: right;"><u>728</u> (1)</td> </tr> <tr> <td><b>Selling Price</b></td> <td></td> <td style="text-align: right;"><u>4,368</u> (1)</td> </tr> </tbody> </table>		£	£	<b>Direct materials:</b>			Grass Turf (48 × £14)	672 (1)		Soil (62 × £2.50)	155 (1)		Greenhouse (500*1.2*1.2)	<u>720</u> (2)				1,547	<b>Labour:</b>			Week 1	451 (1)		Week 2 (29 × £11)	<u>319</u> (1)				770	<b>Direct Expenses:</b>			Week 1	127		Week 2	156			<u>          </u> (1)				<u>283</u>	<b>Total Cost</b>		<u>2,600</u>	<b>Mark Up (40% × £2,600)</b>		<u>1,040</u> (1)			<u>3,640</u>	<b>VAT (20% × £3,640)</b>		<u>728</u> (1)	<b>Selling Price</b>		<u>4,368</u> (1)	10	<p><u>For the Greenhouse:</u>            If £600 - award 1 mark            If any other figure with acceptable working - 1 mark            If £500 - award 0 marks            If any other figure with no working - 0 marks.</p> <p>Labour Week 1 is consequential from (a).</p> <p>If Mark Up and VAT switched around, 1 mark for VAT and 0 marks for Mark Up.</p> <p>Selling Price mark is awarded for all arithmetic being correct and a reasonable layout (need to have labels for VAT and Selling Price).</p>
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<b>Direct materials:</b>																																																																
Grass Turf (48 × £14)	672 (1)																																																															
Soil (62 × £2.50)	155 (1)																																																															
Greenhouse (500*1.2*1.2)	<u>720</u> (2)																																																															
		1,547																																																														
<b>Labour:</b>																																																																
Week 1	451 (1)																																																															
Week 2 (29 × £11)	<u>319</u> (1)																																																															
		770																																																														
<b>Direct Expenses:</b>																																																																
Week 1	127																																																															
Week 2	156																																																															
	<u>          </u> (1)																																																															
		<u>283</u>																																																														
<b>Total Cost</b>		<u>2,600</u>																																																														
<b>Mark Up (40% × £2,600)</b>		<u>1,040</u> (1)																																																														
		<u>3,640</u>																																																														
<b>VAT (20% × £3,640)</b>		<u>728</u> (1)																																																														
<b>Selling Price</b>		<u>4,368</u> (1)																																																														

Question		Expected answer(s)	Max mark	Additional guidance																																																											
5.	(a)	<table border="1"> <thead> <tr> <th></th> <th>Dr £</th> <th>Cr £</th> <th></th> </tr> </thead> <tbody> <tr> <td>Equity</td> <td></td> <td>50,000</td> <td rowspan="2">} (1)</td> </tr> <tr> <td>Drawings</td> <td>6,200</td> <td></td> </tr> <tr> <td>Trade Receivables</td> <td>1,300</td> <td></td> <td rowspan="2">} (1)</td> </tr> <tr> <td>Trade Payables</td> <td></td> <td>1,100</td> </tr> <tr> <td>Inventory</td> <td>4,200</td> <td></td> <td>(1)</td> </tr> <tr> <td>Premises</td> <td>195,000</td> <td></td> <td rowspan="2">} (1)</td> </tr> <tr> <td>Mortgage</td> <td></td> <td>158,300</td> </tr> <tr> <td>Sales Revenue</td> <td></td> <td>94,600</td> <td rowspan="2">} (1)</td> </tr> <tr> <td>Purchases</td> <td>62,700</td> <td></td> </tr> <tr> <td>Carriage In</td> <td>200</td> <td></td> <td rowspan="2">} (1)</td> </tr> <tr> <td>Carriage Out</td> <td>400</td> <td></td> </tr> <tr> <td>General Expenses</td> <td>33,700</td> <td></td> <td>(1)</td> </tr> <tr> <td>Discount Received</td> <td></td> <td>300</td> <td>(1)</td> </tr> <tr> <td>Bad Debts</td> <td>600</td> <td></td> <td>(1)</td> </tr> <tr> <td></td> <td>304,300</td> <td>304,300</td> <td>(1)</td> </tr> </tbody> </table>		Dr £	Cr £		Equity		50,000	} (1)	Drawings	6,200		Trade Receivables	1,300		} (1)	Trade Payables		1,100	Inventory	4,200		(1)	Premises	195,000		} (1)	Mortgage		158,300	Sales Revenue		94,600	} (1)	Purchases	62,700		Carriage In	200		} (1)	Carriage Out	400		General Expenses	33,700		(1)	Discount Received		300	(1)	Bad Debts	600		(1)		304,300	304,300	(1)	10	<p>One mark to be awarded for the following pairs of correct entries:</p> <p>Equity and Drawings Trade Rec and Trade Payables Premises and Mortgage Sales Revenue and Purchases Carriage In and Out</p> <p>If one entry wrong in each pair - lose award.</p> <p>One mark to be awarded to the following correct entries:</p> <p>Inventory General Expenses Discount Received Bad Debts</p> <p>Award one mark for both totals if arithmetically correct.</p>
	Dr £	Cr £																																																													
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	(b) (i)	<ul style="list-style-type: none"> <li>Trade Receivables who do not pay</li> <li>Money owed to you that you will not get back</li> </ul>	1																																																												
	(ii)	<ul style="list-style-type: none"> <li>PBD is an attempt to anticipate bad debts</li> <li>PDB is an anticipation of future bad debts</li> <li>PBD sets aside profit</li> <li>It is an amount that is deducted from Trade Receivables to show a more realistic Trade Receivables/Current Assets/Statement of Financial Position figure</li> </ul>	1	Do not accept - money set aside																																																											

Question			Expected answer(s)	Max mark	Additional guidance
	(c)	(i)	<u>Invoice</u> <ul style="list-style-type: none"> <li>• Sent to buyer to give details of a credit sale</li> <li>• Used by buyer to record transaction in their accounts</li> <li>• Shows amount owed by buyer</li> </ul>	1	
		(ii)	<u>Credit Note</u> <ul style="list-style-type: none"> <li>• Sent to buyer to give details of return/overcharge</li> <li>• Used by buyer to record return in their accounts</li> <li>• States reason for return</li> <li>• Shows amount buyers account will be reduced by</li> <li>• Used when giving a VAT refund</li> </ul>	1	
		(iii)	<u>Statement of Account</u> <ul style="list-style-type: none"> <li>• Shows all transactions/purchases/returns/payments during the month</li> <li>• Lets customer know how much is owed in total</li> <li>• Shows payment due date for goods purchased on credit</li> </ul>	1	

Question		Expected answer(s)	Max mark	Additional guidance	
6.				<p>Watch consequentiality throughout the question.</p> <p>Other than question (a) (i), ignore if labels missing/incorrect</p> <p>If the candidate works out correct answer, but then further adjusts it, they cannot be awarded the full allocation of marks for that particular question.</p>	
	(a)	(i)	150 sessions (1), £900 (1)	2	If labels missing, award 1 mark max
		(ii)	£600	1	
	(b)	(i)	£300/50 (or any other correct division) = £6 (2)	2	All or nothing. Award 1 mark if arithmetic error
		(ii)	$\frac{£900-£600}{150}$ (or any other correct calculation) = £2 (2)	2	All or nothing. Award 1 mark if arithmetic error
		(iii)	£6 - £2 = £4 (2)	2	All or nothing Award 1 mark if arithmetic error (watch consequentiality)

Question		Expected answer(s)	Max mark	Additional guidance
	(iv)	$(230 - 150) = 80$ sessions (1) $80 \times \text{£}4 = \text{£}320$ (1) (1) OR $(230 \times \text{£}4) = \text{£}920 - \text{£}600 = \text{£}320$ (1) (1) (1)	3	<p>To gain first mark - candidate must use 230 units and the break-even point correctly.</p> <p>Accept 80 sessions on its own for 2 marks.</p> <p>If arithmetic error where 2 marks are being awarded - award 1 mark.</p> <p>Max 2 marks overall if answer incorrect based on correct/consequential figures used.</p> <p>No need to indicate profit or loss.</p> <p>Candidates may use different method to get correct answer. If answer incorrect, use professional judgement to allocate marks.</p>
	(c)	$(\text{£}1,000 + \text{£}600)/\text{£}4 = 400$ sessions (1) (1) (1) OR $\text{£}1,000/\text{£}4 = 250 + (150 = 400$ sessions) (1) (1) (1)	3	<p>Max 2 marks overall if answer incorrect based on correct/consequential figures used.</p> <p>Candidates may use a different method to get the correct answer. If answer incorrect, use professional judgement to allocate marks.</p>

[END OF SPECIMEN MARKING INSTRUCTIONS]