



National
Qualifications
2023

2023 Accounting

National 5

Finalised Marking Instructions

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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.

1. Part A (a)

Max 23

Bank		Dr	Cr	Balance	
		£	£	£	
1 Mar	Balance			1,200	dr
12 Mar	Loan	8,500		9,700	dr (1)
15 Mar	MV Repair + VAT		300	9,400	dr (1)
20 Mar	Grampian Solutions		7,800	1,600	dr (1)
20 Mar	Cash		700	900	dr (1)
28 Mar	S Jamieson	2,625		3,525	dr (1)

VAT		Dr	Cr	Balance	
		£	£	£	
1 March	Balance			-2,100.00	cr
4 March	S Jamieson		650.00	-2,750.00	cr (1)
8 March	Grampian Solution	1,300.00		-1,450.00	cr (1)
11 March	S Jamieson	25.00		-1,425.00	cr (1)
15 March	Bank	50.00		-1,375.00	cr (1)

Cash		Dr	Cr	Balance	
		£	£	£	
1 March	Balance			100.00	dr
20 March	Bank	700.00		800.00	dr (1)

Sales		Dr	Cr	Balance	
		£	£	£	
4 March	S Jamieson		3,250.00	-3,250.00	cr (1)

S Jamieson		Dr	Cr	Balance	
		£	£	£	
4 Mar	Sales + VAT	3,900.00		3,900.00	dr (1)
11 Mar	Sales Returns + VAT		150.00	3,750.00	dr (1)
28 Mar	Bank		2,625.00	1,125.00	dr (2)
28 Mar	Bad Debts		1,125.00	0.00	(1)

Equipment		Dr	Cr	Balance	
		£	£	£	
8 Mar	Grampian Solutions	6,500.00		6,500.00	dr (1)

Grampian Solution		Dr	Cr	Balance	
		£	£	£	
8 Mar	Equipment + VAT		7,800.00	-7,800.00	cr (1)
20 Mar	Bank	7,800.00		0.00	(1)

Sales Returns		Dr	Cr	Balance	
		£	£	£	
11 Mar	S Jamieson	125.00		125.00	dr (1)

Bank Loan		Dr	Cr	Balance	
		£	£	£	
12 Mar	Bank		8,500.00	-8,500.00	cr (1)

Motor Vehicle Repair		Dr	Cr	Balance	
		£	£	£	
15 Mar	Bank	250.00		250.00	dr (1)

Bad Debt		Dr	Cr	Balance	
		£	£	£	
28 Mar	S Jamieson	1,125.00		1,125.00	dr (1)

(b) Trial Balance (1)

Max 1

Q1 – General Instructions

- Markers should approach question by marking transactions sequentially in date order (mark entries for 4 March first, then mark 8 March etc).
- When marking a transaction it is helpful to have a starting point, and then ask yourself 'What would I expect to see next'?
- In transactions with VAT, if full amount in Sales, Equipment, Sales Returns (e.g Sales Acc has £3,900) - mark as per solution
- If **NO** starting point - then mark as per solution.
- If **wrong** starting point (eg Rory Meston acc opened instead of Sales on 4 Mar) then mark consequentially (except for 15 March). However, if candidate has done this AND put full amounts in Sales, Equipment, Sales Returns etc - then mark as per solution

The following starting points in a transaction should be used:

04-Mar	Start with entry in Sales Acc. Look at VAT next. It should follow the Dr or Cr entry of the first figure. Then, look at S Jamieson Account.
08-Mar	Start in Equipment Acc. Look at VAT next. It should follow the Dr or Cr entry of the first figure. Then, look at Grampian Solutions.
11-Mar	Start with Sales Returns (ignore entry on 4 th). Look at VAT next. It should follow the Dr or Cr entry of the first figure. Then, look at S Jamieson Account.
12-Mar	Start in either account but the corresponding entry must be in opposite side for consequential mark.
15-Mar	Start at VAT account. - If there is an entry then it is a 3 entry transaction so mark as per solution - If no entry in VAT account then candidate can be awarded 1 out of 3 marks for £300 or £350 credit entry in bank consequentially on repairs. - Watch Account Name. If entry in Motor Vehicle Account do not award (DNA)
20-Mar	First Transaction - Start in Grampian Solutions then Bank. Any figure that clears to 0 is awarded mark. Second Transaction - Start in Bank then Cash.
28-Mar	First Part - Start in S Jamieson and then look at Bank Acc. If no entry in S Jamieson calculation award can be awarded if shown in another acc. If first part not attempted then 2nd part can get consequential marks by clearing acc to 0. Any other figure transferred in no award in S Jamieson and consequential in Bad Debt Acc.

Accept Photocopier/Machinery as account name

Cash **figure** is consequential on Bank entry (Must be from Bank - from other acc DNA)

Money received is 1 mark calc and 1 mark correct side of entry in S Jamieson Acc.

Bad Debts always consequential in B/Debts Acc from figure in S Jamieson.

- Apply consequentiality as to which side of the ledger entries are on. Therefore, if a Sale is incorrectly entered on the Debit side, this would be marked wrong. However if the VAT was also on the Debit Side and the customer on the Credit Side this would be consequentially correct. Taking this approach may mean that some entries which are correct as per solution, will be marked as consequentially incorrect.

- Consequentiality is not applied to the figures contained within a transaction. The figures are to be marked as per solution.

- For the returns on 11 March:

If original transaction on 4 March treated as Purchase, accept a fully consequential set of Purchase Return entries for 3 marks.

If 4 March transaction treated as a Sale but put in wrong column as a Dr then treat 11 March as a standalone from 4 March.

This means if candidate has subsequently entered £125 Cr in the Sales Returns Acc it would be marked as wrong but 2 consequential marks would be awarded for £25 Cr in VAT Acc and £150 Dr in S Jamieson Acc. This rule also applies if original entry was treated as a Purchase but entered on the wrong side.

- Ignore wrong dates/nomenclature

- Do not penalise arithmetic error in balances.

- If an entry has been put into the wrong account, it does not gain an award.

- If there are any extra entries as part of a transaction, apply the +/- rule.

Taking the transaction on 4 March as an example, if a candidate enters £3,250 Cr in the Sales Acc and also enters £3,250 in a Rory Meston Acc (with the VAT and Customer Accounts being correct), they would be awarded 2 marks over the transaction instead of 3.

- In transactions with VAT - amounts can be split. Eg 4 March in S Jamieson may show separate entries of £3,250 and £650 instead of one entry of £3,900. This is acceptable.

1. Part B			
(a)			Max 3
Equity			
	£		
Opening Equity	120,000		
Profit for the Year	32,000		(1)
	152,000		
Less Drawings	8,000		(1)
Closing Equity	144,000		(1)
(b)			Max 2
Provision for Bad Debts	5%		
Trade Receivables	40,000		
BD Provision	2,000		(1)
New value of Tr Receivables	38,000		(1)
(c)			Max 3
Equipment Depreciation	12%		
Equipment at Cost		60,000	
Existing Depreciation	3,600		(1)
Year 2 Depreciation	7,200	10,800	(1)
New value of Equipment		£49,200	(1)
(d)			Max 2
<u>Carriage In</u>			
Delivery costs on items you purchase			(1)
<u>Carriage Out</u>			
Delivery costs on items you sell			(1)
(e)			Max 1
A business owned/controlled by one person			(1)
A business set up by one person			

- Equity heading not required.
- Accept any layout - final figure of £144,000 awarded 3 marks if just done as calculation
- Entries must be correct effect to gain mark.
- If arithmetic error in subtotal, candidate cannot obtain full marks. DNA Drawings mark.
- If there are any extraneous items in calculation of equity, do not give an award to a correct entry (to a max of 3). If candidate does full SOFP - accept correct equity section for 3 marks.

If you see:

£160,000 - award 2 marks £80,000 - award 2 marks £96,000 - award 1 mark

- Final answer is consequential on calculation of provision.

£38,000 on its own with no working - 2 marks

£42,000 - award 1 mark

£2,000 - award 1 mark

If you see:

£56,400 - award 2 marks

£52,800 - award 2 marks

£49,632 - award 2 marks

£48,768 - award 2 marks

- If candidate just says 'delivery costs' - award 1 mark total.
- No award for indicating where carriage goes in the Financial Statements.

- Answer must have reference to ownership/control/setting up.
- If candidate says 'A one person business' - award 0 marks.
- If candidate says 'run by one person' - award 0 marks.
- If candidate says 'you run your own business' - award 1 mark as there is an acknowledgement of ownership.

2.
(a)

Max 31

Cash Budget						(1)
	June		July		August	
Opening Balance	15,000	(1)	58,500		81,200	
Receipts						
Cash Sales	97,200	(3)	108,000	(1)	118,800	(1)
Credit Sales	0	(1)	36,000	(3)	40,000	(1)
Grant			10,000	(1)		
	97,200		154,000		158,800	
Payments						
Labour	40,000	(1)	45,000		50,000	(1)
Materials	0	(1)	64,000	(1)	72,000	(1)
Variable OH	0	(1)	8,000	(1)	9,000	(1)
Fixed Costs	2,500		2,500		2,500	(1) line
New Equipment	1,000	(1)	800	(2)	800	(1)
Commission	7,200	(1)	8,000	← →	8,800	(1)
Rent	3,000	← →	3,000	(1)	3,900	(1)
	53,700		131,300		147,000	
Closing Balance	58,500		81,200		93,000	(1)

CALCULATIONS

Cash sales (June) – $(3,600 \times 75\%) (1) \times £40 (1) \times 90\% (1) = £97,200$

Credit sales (July) – $3,600 (1) \times 25\% (1) \times £40 (1) = £36,000$

Materials (July) – $4,000 \times £16 = £64,000$

Equipment:

June - $£5,000 \times 20\% = £1,000$

July and August – $(£5,000 - £1,000)/5 = £800$

- For heading/layout mark:
 - just needs words 'Cash Budget' and June, July, August columns
 - must have headings for 'money in' and 'money out'
 - must have Op & Cl Balance labels
 - no extraneous items, ie units
- Accept Opening Balance added to Receipts subtotal.
- Materials, Labour and Overheads – marks for July & August are consequential.
- If Sales units used to calculate production figures - no award each time (and vice versa).
- For Commission - if candidate uses production figures to get £8,000 £9,000 and £10,000 - do not award both marks.
- If commission correct and put in Receipts - 1 mark for calculation.
- If done as a list with no indication of receipts and payments, do not award for Heading/Layout, Opening Balance, Closing Balance, Grant and Fixed Costs (DNA 5 marks in total).
- New equipment for Jul and Aug is consequential on the deposit in June e.g - If candidate has £2,000 deposit in June - no award but £600 in July and Aug would be consequentially correct for 3 marks. August is consequential on July if same figure used.
- If new equipment is £1,000 for all 3 months, award 1 for line.
- If Grant in payments and correctly treated as income - award mark. If treated as payment – 0 marks. No effect on Layout/Closing Balance mark.
- Correct August closing balance must be consequentially correct.

<p>(b)</p> <ul style="list-style-type: none"> • Aids in future planning/forecasting • Indicates if overdraft or finance will be required / shows cash flow <u>problems</u> (Must say Cash Flow problem - if just "shows cash flow" - DNA) • Can see if funds will be available to purchase assets/expand etc (DNA - if candidate just says "see if funds available". Must have purpose) • Can highlight areas where cost reductions/cutbacks will be necessary • Can compare actual figures with budgeted figures <p>"See where she is spending money" - 0 marks "See where she is <u>going to be</u> spending money" - 1 mark</p>	<p>Max 2</p> <p>DNA shows cash inflows and outflows or shows opening and closing balances unless candidate describes benefit.</p> <p>DNA any references to profit/losses or money made/lost. DNA any reference to past – must be future.</p>
<p>(c)</p> <ul style="list-style-type: none"> • Job Cost Statements • Break-even • Inventory valuation • Assist in/provide info for Decision Making (Decision Making on its own – 0 marks) • Overhead costing/Overhead Analysis • Labour costing 	<p>Max 2 1 mark for each correct role. Accept any other management accountant role/duty.</p> <p>Both roles need to be in different areas, for example calculating breakeven and calculating margin of safety would only gain 1 mark.</p> <p>DNA if candidate only says 'calculating costs.'</p> <p>DNA if any reference to budgeting as in the question.</p> <p>DNA any reference to accountant actually making the right/final decision – only accept if they say helps to.</p>

	June	July	August	
Cash	129,600 (2)	144,000 (1)	158,400 (1)	Didn't multiply by 75%
Sales	108,000 (2)	120,000 (1)	132,000 (1)	Didn't discount by 10%
	32,400 (2)	36,000 (1)	39,600 (1)	Multiplied by 25% instead of 75%
	10,800 (2)	12,000 (1)	13,200 (1)	Discounted by 90% instead of discounting 10%
	144,000 (1)	160,000 (1)	176,000 (1)	Didn't discount by 10% or multiply by 75%
	36,000 (1)	40,000 (1)	44,000 (1)	Didn't discount by 10% and multiplied by 25%
	3,600 (1)	4,000 (1)	4,400 (1)	Multiplied by 25% and discounted by 90%
	14,400 (1)	16,000 (1)	17,600 (1)	Didn't multiply by 75% and discounted by 90%
Credit	36,000 (0)	40,000 (3)	44,000 (1)	Didn't go back a month
Sales	0 (1)	144,000 (2)	160,000 (1)	Didn't multiply by 25%
	0 (1)	108,000 (2)	120,000 (1)	Multiplied by 75% instead of 25%
	0 (1)	32,400 (2)	36,000 (1)	Discounted by 10%
	0 (1)	3,600 (2)	4,000 (1)	Discounted by 90%
	144,000 (0)	160,000 (2)	176,000 (1)	Didn't go back a month AND didn't multiply by 25%
	108,000 (0)	120,000 (2)	132,000 (1)	Didn't go back a month AND multiplied by 75% instead of 25%
	32,400 (0)	36,000 (2)	39,600 (1)	Didn't go back a month and discounted by 10%
	14,400 (0)	16,000 (2)	17,600 (1)	Didn't go back a month and discounted by 90%
	0 (1)	129,600 (1)	144,000 (1)	Didn't multiply by 25% AND discounted by 10%
	0 (1)	97,200 (1)	108,000 (1)	Multiplied by 75% instead of 25% AND discounted by 10%
	0 (1)	14,400 (1)	16,000 (1)	Didn't multiply by 25% AND discounted by 90%
	0 (1)	10,800 (1)	12,000 (1)	Multiplied by 75% instead of 25% AND discounted by 90%
	129,600 (0)	144,000 (1)	158,400 (1)	Didn't go back a month and discounted by 10% and didn't multiply by 25%
	97,200 (0)	108,000 (1)	118,800 (1)	Didn't go back a month and discounted by 10% and multiplied by 75%
	14,400 (0)	16,000 (1)	17,600 (1)	Didn't go back a month and discounted by 90% and didn't multiply by 25%
	10,800 (0)	12,000 (1)	13,200 (1)	Didn't go back a month and discounted by 90% and multiplied by 75%
Mat	64,000 (0)	72,000 (1)	80,000 (1)	
	72,000 (0)	80,000 (1)	0 (1)	
Var OH	8,000 (0)	9,000 (1)	10,000 (1)	
	9,000 (0)	10,000 (1)	0 (1)	

There is no mix and match between correct solution and alternative per line. Award the one with the higher marks.

3.

(a)

Max 10

Domenico Pizza Supplies

Quantity	Description	Unit Price	Cost	
		£	£	
1	10 kg bag of Pizza Flour	10.00	10.00	(1) for entire row
4	3 kg Cans Full Red Sauce	5.00	20.00	(1) for entire row
			30.00	(1)
30%	Trade Discount		9.00	(1)
			21.00	(1)
5%	Cash Discount		1.05	(1)
			19.95	(1)
20%	VAT		3.99	(1)
			23.94	
	Delivery Charge		3.00	(1)
	Total Cost		26.94	(1) for total

(b)

Credit Note

(Don't accept Copy Credit Note)

Max 1

(c)

Statement

Max 1

(d)

to encourage sales/attract new customers
customer loyalty/get existing customers to come back
to encourage bulk buying
as customers are in the same trade
Any 2 for **1 mark** each.
DNA - good reputation/spread good word

Max 2

(e)

Current Liabilities/Current Assets

(Do not accept Liabilities/Assets on its own)

Max 1

<ul style="list-style-type: none"> • In first 2 lines if a key detail is missing (quantity, kgs, unit price, item description). then do not award first entry (DNA 1 mark max). "Bags"/"Cans" not necessary.
<ul style="list-style-type: none"> • If no labels for Trade Discount/Cash Discount or VAT – do not award final total mark.
<ul style="list-style-type: none"> • There is no requirement for Net Goods Value label.
<ul style="list-style-type: none"> • If no TD/CD/VAT calc, don't double penalise by not awarding final total due to missing label.
<ul style="list-style-type: none"> • If anything is out of sequence (eg TD is AFTER VAT calculation), do not award entry mark.
<ul style="list-style-type: none"> • If candidate does not include delivery charge, Final Total mark can be awarded for £23.94.
<ul style="list-style-type: none"> • Subtotals MUST be shown for mark (even if implied by correct calculations).
<ul style="list-style-type: none"> • If a calculation is missing, then DNA associated missing subtotal award also.
<ul style="list-style-type: none"> • If the TD figure is missing but correct calculation included in subtotal, TD mark can be awarded. However if CD or VAT figure missing - DNA award each time.
<ul style="list-style-type: none"> • If CD and VAT calculations done as working but not entered into main body of invoice - DNA award each time.
<ul style="list-style-type: none"> • If more than two items on invoice do not award for line (to a max of 2).
<ul style="list-style-type: none"> • Some candidates have laid invoice out like a running balance putting TD, CD and VAT in the Unit Price column. Accept - as long as figures are clearly identifiable.
<ul style="list-style-type: none"> • If mistake in calculation - must round correctly for mark. Incorrect calculation resulting in 0.5 can be rounded up or down.
<ul style="list-style-type: none"> • DNA mark for figures out of sequence. Associated subtotal can still be awarded the mark. Example: Candidate has the following order. VAT Trade Discount Delivery Cash Discount Approach: VAT is the first entry. Therefore, VAT is awarded 1 mark. Solution states that only item after VAT is Delivery, therefore it is awarded a mark TD and CD should come before VAT - therefore they get no award.

4.

General Instructions

Apply conventional rounding methods to award mark(s).

Accept answers to 0 or 1 decimal place(s) providing rounding correct. If rounding incorrect, DNA mark each time. The exception to this is if candidates round down and then put in an extra 0 to give 2 decimal places. For example, for Return on Equity a candidate rounds down to 9.1% (which is acceptable) but then writes 9.10%. This instance DNA the mark **once only**.

Accept answers with more than 2 decimal places.

If days involved and answer incorrect, if answer below .5 then accept rounding up or down for whole days and if above .5 then only accept rounding up. Eg for an incorrect answer of 23.14 days, accept 23 days or 24 days. If wrong answer was 24.75 days then accept 25 days only.

Correct and no working, award full marks. Incorrect and no working, do not award mark.

(a)

Max 12

Gross Profit Ratio	<u>Gross Profit</u> Sales Revenue	<u>£150,000</u> £500,000	30%	(1)	
Profit for the Year Ratio	<u>Profit for the Year</u> Sales Revenue	<u>£32,800</u> £500,000	6.56%	(1)	
Acid Test Ratio	<u>Current Assets - Closing Inv</u> Current Liabilities	<u>£43,500</u> £24,000	1.81	(1)	:1 label not required but DNA answers :2 etc
Return on Equity Employed	<u>Profit for the Year</u> Opening Equity	<u>£32,800</u> £360,000	9.11%	(1)	Accept 9.1% Do not accept 9.10%
Trade Receivables Collection Period (in days)	<u>Average Trade Receivables</u> Credit Sales	x 365 <u>£31,700</u> £400,000	28.93 days	(2)	1 mark for credit sales & 1 mark for correct formula Award 2 marks for 28.93/28.9/29 days on its own Award 1 mark for 23.14 days or 23.1/23/24 days
Expenses Ratio	<u>Expenses</u> Sales Revenue	<u>£117,200</u> £500,000	23.44%	(2)	Expenses calc is consequential. Accept GP Ratio – NP Ratio. Award 1 mark for £117,200.
Rate of Inventory Turnover	<u>Cost of Sales</u> Average Inventory	<u>£350,000</u> £35,000	10 times	(3)	Award 1 mark for £350,000. Award 1 mark for £35,000. Final mark may be consequential, if there is a reasonable attempt at calculation of one of the constituent parts. Use professional judgement (UPJ).
One mark for ALL correct labelling for %, days, times				(1)	Applies to wrong answers also.

(b)	Max 3	Award 2 marks for £420,000
Purchases		Award 2 marks for £390,500
Cost of Sales + Closing Inventory - Opening Inventory		Award 2 marks for £320,500
350,000+40,500-29,500	£361,000	Award 2 marks for £280,000
(1) (1) (1)		Award 2 marks for £11,000
		Award 1 mark for £350,000.
		Award 1 mark for £339,000.
		Award 1 mark for £40,500.
		Award 1 mark for £29,500.
		Award 2 marks max if arithmetic error.
		Inventory adjustments must be correct effect for mark. COS can be consequential on (a), or candidate may calculate correct COS. Do not penalise if COS different from (a).

5.						Max 10	
(a) and (b)							
Overhead	Basis	Total	Mixing	Baking	Staffing		
		(£)	(£)	(£)	(£)		
Indirect Materials	Allocated	6,200	2,325	875	3,000	(1)	mark for line
Heat and Light	Floor Area	18,000	4,000 (1)	8,000	6,000	(1)	
Machinery Insurance	Value of Machinery	6,000	2,100 (1)	2,700	1,200	(1)	
Employee Supervision	No of Employees	24,000	12,000 (1)	7,200	4,800	(1)	
Production Machinery Maintenance	No of Machines	15,400	11,000 (1)	4,400	-	(1)	
Total			31,425	23,175	15,000	(1)	
						Max 4	
Staffing	No of Employees	15,000	9,375 (2)	5,625		(1)	
Final Total			40,800	28,800		(1)	
(a)							
No award for entries in basis or total columns.							
If wrong basis/figure applied to Mixing, second mark is consequential.							
(b)							
If split is correct but candidate includes an extra entry in staffing - max for line is 2							
If split is 20/40 and 12/40 – 0 marks for Mixing and 1 mark for Baking.							
If wrong basis but identifiable by candidate narrative - 0 marks for first split - 1 consequential mark for 2nd split							
Any other split/basis which is not identifiable - 0 marks for line							
Wrong figure reapportioned but apportionment correct (20/32 and 12/32) – 2 marks.							
Wrong figure reapportioned and apportionment wrong (20/40 and 12/40) – 1 mark.							
Wrong figure reapportioned and any other split – 0 marks.							
If Staffing split is correct but £15,000 shown in final line, no award for line. However, if candidate has included staffing in split, then Final Total is consequential for 1 mark							
If reapportionments have decimal points, accept figures rounded up or down to whole numbers correctly.							
If you see £38,925, £27,765 and £18,000 - then award 1 out of 4 marks.							
(c)						Max 1	
Costs which are not directly linked to the production of a product/department/cost centre.						(1)	
Ignore any reference to examples.							

6.

John Dixon

Watch consequentiality throughout question.

Ignore labels if missing. If label wrong (ie break-even units has £ sign), do not award **1 mark** once only throughout the question. (Applies to final answer only – not workings).

Questions (a) (i)-(iv) are all or nothing awards. If wrong formula has been used then the answer is wrong. The only exception would be if the correct formula and correct figures were used and an arithmetic error occurred. In this case award 1 mark.

If candidate has correct answer and then further adjusts calculation to leave a wrong answer – **0 marks** in (a) (i)-(v), use professional judgement in (b) and (c).

If candidate has multiple answers as they have calculations at each level, and all are different – **0 marks**.

(a) (i)					Max 2	
Selling price per unit	<u>Sales Revenue</u>	$\frac{£75,000}{3,000}$	£25			All or nothing unless arithmetic error award 1 mark. Accept at any level of output.
	Output					
(a) (ii)					Max 1	
Variable cost per unit	<u>Variable Costs</u>	$\frac{£48,000}{3,000}$	£16			Accept at any level of output.
	Output					
(a) (iii)					Max 2	
Contribution per unit	Selling Price - Contribution	25-16	£9			All or nothing unless arithmetic error award 1 mark (watch consequentiality).
(a) (iv)					Max 2	
Fixed costs	Total Cost - Variable Cost	£63,000				All or nothing unless arithmetic error award 1 mark. Accept at any level of output.
(a) (v)					Max 2	
Break-even point in units.	<u>Fixed Costs</u>	$\frac{£63,000}{£9}$	7,000	units		All or nothing unless arithmetic error award 1 mark (watch consequentiality).
	Contribution					

<p>(b) Margin of safety (in units and sales value) at a level of output of 12,000 units. 12,000 - Break-even <div style="text-align: right; margin-right: 100px;"> 5,000 units £125,000 </div> </p>	Max 3	<p>Award 2 marks (all or nothing) for 5,000 units (OR 12,000 - break even). Award 1 mark for £125,000.</p>
<p>(c) Number of units required to be sold to earn a profit of £54,000. Fixed costs + 54,000/Contribution OR £54,000/£9 = 6,000 (1) (6,000 + 7,000 (1)) = 13,000 (1) <div style="text-align: right; margin-right: 100px;"> 13,000 units 13,000 units </div> </p>	Max 3	<p>Max 2 marks if answer incorrect based on figures £54,000 + £63,000 is 2 marks all or nothing.</p> <p>Award 1 mark for £54,000/9 = 6,000, award 1 mark for 7,000, award 1 mark for 13,000. Candidates may use a different method to get the correct answer, UPJ to allocate marks.</p>

[END OF MARKING INSTRUCTIONS]