



**2014 Accounting**

**Intermediate 2 Solutions**

**Finalised Marking Instructions**

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## **General Marking Principles for Accounting Intermediate 2 – Solutions**

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### **GENERAL MARKING ADVICE: Accounting Intermediate 2 – Solutions**

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**2014 Accounting  
Intermediate 2  
Solutions**

**Question 1**

**(a) Trading, Profit & Loss, and Appropriation Account for Year Ending  
31 Dec Year 3 ✓**

	£000	£000	£000	
Sales			2030	(1)
<b>Less Cost of Goods Sold:</b>				
Opening Stock		153	(1)	
<u>Add Purchases</u>		<u>1644</u>	(1)	
		1797		
<u>Less Closing Stock</u>		<u>140</u>	(1)	
<b>Gross Profit ✓</b>			<u>373</u>	(1)
 <u>Add Revenues:</u>				
Discount Received			<u>4</u>	(1)
			377	
 <u>Less Expenses:</u>				
Wages and Salaries		190	(1)	
Rent and Rates	80	(1)		
<u>Less Prepaid</u>	<u>2</u>	(1)	78	
Depreciation on Motor Vehicles		16	(2)	
Increase in Bad Debt Provision		1	(2)	
Debenture Interest Due		<u>8</u>	(2)	
			<u>293</u>	
<b>Net Profit Before Tax ✓</b>			84	(1)
<u>Less Corporation Tax</u>			<u>21</u>	(1)
			63	
 <u>Add Unappropriated Profit 31/12/Year 2</u>			<u>16</u>	(1)
			79	
 <u>Less:</u>				
Preference Dividend Due		30	(2)	
Ordinary Dividend Due		<u>25</u>	(2)	
			<u>55</u>	
<b>Unappropriated Profit 31/12/Year 3 ✓</b>			<u>24</u>	(1)
			<u>24</u>	(1)
				(23)

**(b) Balance Sheet as at 31 December Year 3 ✓**

	£000	£000	£000	
	At	Depreciation	Book	
<u>Fixed Assets</u>	Cost	to Date	Value	
Premises	820		820	<b>(1)</b>
Motor Vehicles	<u>80</u>	<u>36</u>	<u>44</u>	<b>(1)</b>
			864	
<u>Current Assets</u>				
Stock		140		<b>(1)</b>
Debtors	60			<b>(1)</b>
<u>Less</u> Bad Debt Provision	<u>3</u>	57		<b>(1)</b>
Rent and Rates Prepaid		<u>2</u>		<b>(1)</b>
		199		
<u>Less Current Liabilities</u>				
Creditors	40			<b>(1)</b>
Bank Overdraft	15			<b>(1)</b>
Debenture Interest Due	8			<b>(1)</b>
Corporation Tax Due	21			<b>(1)</b>
Preference Dividend Due	30			<b>(1)</b>
Ordinary Dividend Due	<u>25</u>	<u>139</u>		<b>(1)</b>
Working Capital			<u>60</u>	
			<u>924</u>	
<u>Financed By:</u>				
500,000 Ordinary Shares @ £1			500	<b>(1)</b>
300,000 10% Preference Shares @ £1			<u>300</u>	<b>(1)</b>
			800	
<u>Reserves &amp; Unappropriated Profits</u>				
Unappropriated Profit 31/12/Year 3			<u>24</u>	<b>(1)</b>
<u>Long Term Liabilities</u>				
8% Debentures			<u>100</u>	<b>(1)</b>
			<u>924</u>	
				<b>(17)</b>

## Question 2

### PART A

(a) Accumulated Fund at 1 January Year 2

Clubhouse and Gym	£130,000	(1)	
Badminton Equipment	<u>5,000</u>	(1)	
	£135,000		
LESS			
Loan	50,000	(1)	
Bank Overdraft	<u>3,200</u>	(1)	
	<u>£81,800</u>		(4)

(b) Closing Bank Balance

Opening Balance	(£3,200)	(1)	
Total Receipts	<u>£16,400</u>	(1)	
	£13,200		
<u>Less</u> Total Payments	<u>£5,670</u>	(1)	
	<u>£7,530</u>		(3)

(c) Profit/Loss on Dance

Profit/Loss on Sponsored Walk

Sale of Tickets	(1)	£1,200	Sponsored Walk	(1)	£4,700
<u>Less</u>			LESS Printing of Forms	20	(1)
Refreshments	200	(1)	Prizes	<u>100</u>	(1)
Hire of Disco	700	(1)	PROFIT		<u>£4,580</u>
Printing of Tickets	<u>50</u>	(1)			
PROFIT ✓		<u>250</u>	(1)	(5)	(4)

(d) Income and Expenditure Account of New Bridge Badminton Club for the year ended 31 December Year 2

INCOME

	(1)	(1)	(1)	£	£
Subscriptions (10,000 + 200 – 400)					9,800 (3)
Profit on Dance					250 (1)
Profit on Sponsored Walk					4,580 (1)
Donations					<u>500</u> (1)
					15,130

EXPENDITURE

	(1)	(1)			
Electricity (600 – 250)				350	(2)
General Expenses				1,550	(1)
Secretary's Honorarium				200	(1)
Caretakers wages (500 (1) + 50 (1))				550	(2)
Loan Interest	(1)	(1)	(1)	2,500	(2)
Depreciation on Equipment (30% x (5000 + 1750))				<u>2,025</u>	(3)
SURPLUS ✓					<u>7,175</u>
					<u>£7,955</u> (1)

(18)

(34)

## **PART B**

- (a)** Standing Order **(1)** – an instruction to the bank to pay a **fixed** regular amount out of an account eg for rent **(1)**.
- (b)** Direct Debit **(1)** – an instruction to the bank to pay a **variable** amount out of an account eg insurance **(1)**.
- (c)** Bank Giro Credit **(1)** – a payment where the customer/organisation instructs their bank to transfer funds directly to the beneficiary's bank account **(1)**.

**(6)**

### Question 3

#### Part A

Manufacturing Account for the Year ended 31 December Year 4 ✓

	£000	£000	£000		
Raw Materials:					
Opening Stock			15	(1)	
<u>Add Purchases</u>		150	(1)		
<u>Add Carriage</u>		6	(1)		
			<u>171</u>		
Less Closing Stock			16	(1)	
<b>Cost of Raw Materials Consumed</b> ✓			<u>155</u>	(1)	(5)
Direct Wages			48	(1)	
Direct Expenses			<u>7</u>	(1)	
<b>Prime Cost</b> ✓			<u>210</u>	(1)	(3)
<u>Add Factory Overheads:</u>					
Light and Heat	9				
<u>Add Owing</u>	<u>2</u>	11	(2)		
Depreciation of Machinery		9	(2)		
Rent and Rates		4	(2)		
Manager's Salaries		27	(1)		
Insurance	3				
<u>Less Prepaid</u>	<u>1</u>	<u>2</u>	(2)		
			<u>53</u>		
			263		
<u>Add WIP at Start</u>			<u>25</u>	(1)	
			288		
<u>Less WIP at End</u>			<u>19</u>	(1)	
<b>Factory Cost of Goods Manufactured</b>			<u><u>269</u></u>	(1)	(12)

(20)

### Question 3

#### Part B

**(a)** Gross Profit %

$$\frac{\text{Gross Profit}}{\text{Sales}} = \frac{75,000}{250,000} \times 100 = 30\% \quad (2)$$

**(b)** Av Stock

$$\frac{\text{£17,000 OS} + \text{£18,000 CS}}{2} = \text{£17,500} \quad (2)$$

$$\frac{\text{£18,000 CS}}{2} = \text{£9,000} \quad (1)$$

$$\frac{\text{£35,000}}{2} = \text{£17,500} \quad (2)$$

$$\frac{\text{COGS}}{\text{Average Stock}} = \frac{£175,000}{£17,500} = 10 \text{ times} \quad (2)$$

$$\text{Average Stock} = £17,500 \text{ equals } 10 \text{ times} \quad (2)$$

**(c)** Current Ratio

Current Assets: Current Liabilities

$$42,000: 12,000 \quad (1)$$

$$3:5:1 \quad (1) \quad (2)$$

**(d)** Return on Capital Employed

$$\frac{\text{Net Profit}}{\text{Capital at Start}} = \frac{£16,400 (1)}{£164,000 (1)} \times 100 = 10.00\%$$

$$\text{Capital at Start} = £164,000 (1) \quad (2)$$

**(e)** Debtor's Collection Period

$$\frac{\text{Average Debtors}}{\text{Credit Sales}} = \frac{£15,800 (1)}{£200,000 (2)} \times 365 (1) = 29 \text{ days} (1) \quad (4)$$

$$\text{Credit Sales} = £200,000 (2)$$

$$29 \text{ days} (1) \quad (4)$$

(14)



## Part C

### Advantages

- Increased capital
- Shared decision making/workload
- New ideas
- Easier to take time off/holidays
- Easier access to finance
- Limited liability if related to limited partnerships

### Disadvantages

- Sharing profits
- Can't make decisions without consultation/loss of control
- Disagreements between partners

**(6)**

**Question 4**

**(a) Jack Smith – Cash Budget – March - May (Year 3)**

	<b>March</b>		<b>April</b>		<b>May</b>	
<b>Opening Balance</b>	8,400	<b>(1)</b>	9,400		40,900	
<b>RECEIPTS</b>						
Cash Sales	36,000	<b>(2)</b>	42,000	<b>(2)</b>	48,000	<b>(2)</b>
Credit Sales			54,000	<b>(2)</b>	63,000	<b>(2)</b>
Loan			5,000	<b>(1)</b>		
Rent received			500		500	<b>(1) both</b>
Grant			3,000	<b>(1)</b>		
<b>TOTAL RECEIPTS</b>	<u>36,000</u>		<u>104,500</u>		<u>111,500</u>	
<b>PAYMENTS</b>						
Van					800	<b>(2)</b>
Materials			24,000	<b>(2)</b>	25,200	<b>(2)</b>
Labour	20,000	<b>(1)</b>	21,000	<b>(1)</b>	22,500	<b>(1)</b>
Variable Overheads			12,000	<b>(2)</b>	12,600	<b>(2)</b>
Fixed Overheads	9,000		9,000	<b>(1) both</b>	10,800	<b>(2)</b>
Commission	6,000	<b>(2)</b>	7,000	<b>(2)</b>	8,000	<b>(2)</b>
<b>TOTAL PAYMENTS</b>	<u>35,000</u>		<u>73,000</u>		<u>79,900</u>	
<b>Closing Balance</b>	<u>9,400</u>		<u>40,900</u>			

**(36)**

**(b) 2 reasons for preparing Cash Budgets**

- Pinpoints possible future financial difficulties
- Provide planning opportunities
- Highlight cash surpluses
- Provide investment opportunities etc
- Analyse budget predictions

**2 x 2 for 4 marks**

**(4)**

**(40)**

Question 5

<b>OVERHEAD ANALYSIS SHEET</b>											
<b>Overhead</b>	<b>Basis</b>	<b>Rate</b>	<b>TOTAL</b>	<b>L</b>		<b>M</b>		<b>P</b>		<b>Q</b>	
			£	£		£		£		£	
(a) Indirect Materials	Allocated		£12,500	£7,750		£250		£4,250		£250	<b>(1) line</b>
Indirect Labour	Allocated		£80,000	£32,000		£20,000		£21,000		£7,000	<b>(1) line</b>
Machine Insurance	Value	£0.10	£14,000	£3,000	<b>(1)</b>	£6,000	<b>(1)</b>	£2,000	<b>(1)</b>	£3,000	<b>(1)</b>
Supervision	Employees	£60	£30,000	£6,000	<b>(1)</b>	£9,000	<b>(1)</b>	£12,000	<b>(1)</b>	£3,000	<b>(1)</b>
Gas and Electricity	Area	£2	£24,000	£8,000	<b>(1)</b>	£6,000	<b>(1)</b>	£4,000	<b>(1)</b>	£6,000	<b>(1)</b>
Rent	Area	£6	£72,000	£24,000	<b>(1)</b>	£18,000	<b>(1)</b>	£12,000	<b>(1)</b>	£18,000	<b>(1)</b>
Administration Costs	Employees	£80	£40,000	£8,000	<b>(1)</b>	£12,000	<b>(1)</b>	£16,000	<b>(1)</b>	£4,000	<b>(1)</b>
Depreciation of Machinery	Value	£0.50	£70,000	£15,000	<b>(1)</b>	£30,000	<b>(1)</b>	£10,000	<b>(1)</b>	£15,000	<b>(1)</b>
Total Department Overheads			£342,500	£103,750		£101,250		£81,250		£56,250	<b>(26)</b>
<b>Reapportionment of Overheads</b>											
(b) Department Q	Employees	£125.00	£56,250	£12,500	<b>(1)</b>	£18,750	<b>(1)</b>	£25,000	<b>(1)</b>		<b>(3)</b>
				£116,250		£120,000		£106,250			
(c) Department P	Machine hrs	£4.25	£106,250	£63,750	<b>(1)</b>	£42,500	<b>(1)</b>				
TOTAL Production Department Overheads				£180,000		£162,500					<b>(1) line</b>
(d) Overhead Absorption Rate	Dept L	£180,000/15,000 =		£12.00 per machine hr		<b>(2)</b>				<b>(2)</b>	
											<b>(32)</b>
											<b>(34)</b>

**(e)**

- Can use multiple sheets – information changes all sheets with use of formulae
- Speed – transactions can be processed much faster than in a manual system with the use of formulae.
- Accuracy – use of formulae will make calculations more accurate than manual system.
- Use of templates – these can be created with formulae to use from year to year eg Cash Budget.
- If one figure is changed the change will ripple through with use of formulae.
- Multiple access

**(6)**

## Question 6

### Part A

<b>(a) (i)</b> Selling price per unit	$\text{£}120,000/4000 = \text{£}30$	<b>(2)</b>
<b>(ii)</b> Variable cost per unit	$\text{£}80,000/4000 = \text{£}20$	<b>(2)</b>
<b>(iii)</b> Contribution per unit	$\text{£}30 - \text{£}20 = \text{£}10$	<b>(2)</b>
<b>(iv)</b> Break-even Point	$\text{£}20,000/\text{£}10$ $= 2000 \text{ units (2) } \times \text{£}30 \text{ (1)}$ $= \text{£}60,000$	<b>(3)</b>
<b>(v)</b> Profit earned – 3,000 units	$3,000 \text{ (1) } \times \text{£}10 \text{ (1)}$ $= \text{£}30,000 - \text{£}20,000 \text{ (1)}$ $= \text{£}10,000$	<b>(3)</b>
<b>(vi)</b> Units produced – Profit £7,500	$\frac{7500 \text{ (1)}}{10 \text{ (1)}} + 2000 \text{ (1)}$ $= 2,750 \text{ units}$	<b>(3)</b>
<b>(b) (i)</b> New Contribution	$\text{£}26 \text{ (1)} - \text{£}21 \text{ (1)} = \text{£}5$	<b>(2)</b>
<b>(ii)</b> Break-even point	$\text{£}20,000/\text{£}5$ $= 4000 \text{ units (2) } \times \text{£}26 \text{ (1)}$ $= \text{£}104,000$	<b>(3)</b>
		<b>(20)</b>

**Question 6**

**Parts B and C**

**BAKING PROCESS ACCOUNT**

	INPUTS				OUTPUTS				BALANCE		
	Kg	£	£		Kg	£	£		Kg	£	£
Materials	6000	2.50	15,000	(2)					6,000		15,000
Direct Labour			22,500	(2)							37,500
Fixed Overheads			9,000	(2)							46,500
Variable Overheads			2,250	(1)							48,750
Normal Loss – Scrap					300	(1)	0.50	150	(1)	5,700	48,600
Normal Loss – Waste					300	(1)	0.00	0		5,400	9.00 48,600
Transfer to Cooking					5,400	(1)	9.00	(2)	48,600	(1)	0 0.00 0
											<b>(14)</b>
<b>CPU = £48,600/5,400</b>			<b>£9.00</b>								

**ALTERNATIVE LAYOUT**

**BAKING PROCESS ACCOUNT**

	INPUTS				OUTPUTS			
	Kg	£	£		Kg	£	£	
Materials	6000	2.50	15,000	(2)	Normal Loss – Scrap	300	(1)	0.50 (1) 150
Direct Labour			22,500	(2)	Normal Loss – Waste	300	(1)	0.00 0
Fixed Overheads			9,000	(2)	Transfer to Cooking	5,400	(1)	9.00 (2) 48,600 (1)
Variable Overheads			<u>2,250</u>	(1)				<u>48,750</u>
			<u>48,750</u>					<u>48,750</u>
								<b>(14)</b>
<b>CPU = (48,750 – 150)/(6,000 – 300 – 300)</b>			<b>£9.00</b>					

### Part C

**(a) FIFO – First In First Out (1)**

The price of the stock issued is based on the assumption that issues are made on order of receipt **(2)** OR issues to production will be charged at the first **price** paid until all units are used up. Then the next price paid etc **(2)**.

**(b) LIFO – Last In First Out (1)**

The price of stock issued is based on the last batch of stock purchased **(2)** OR issues to production will be charged at the last price **paid** until all units are used up, then the next price etc **(2)**.

**(6)**

[END OF MARKING INSTRUCTIONS]



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## 2014 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 Assessor.
- 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 Assessor.
- 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 EXTRANEIOUS ITEMS: see instructions for specific questions.

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

## 2014 Accounting Intermediate 2 Special Instructions

### Question 1

40 MARKS

		Award Marks Lost	Penalties
	Main headings wrong omitted		-1P once
	<b>Trading/Profit &amp; Loss showing appropriation of profits (23 marks)</b>		
	Extraneous items from Balance Sheet (but ignore provisions from TB), however, if both shares entered only penalise once		-2E (max -4)
	Labels omitted (GP/NP/Unapp Pr) lose award	1 each	
	Rent and rates 82, award 1	1	
	Bad Debt Provision "3" gets 1 mark for calc if included in revenues	1	
	Calculation marks should be given for debenture interest and dividends if correctly calculated but entered in the wrong place or wrongly treated	1 each	

		Awards Marks Lost	Penalties
	<b>Balance Sheet (17 marks)</b>		
	Extraneous item (revenue items)		-2E (max -4)
	Ord/Pref shares must state number or value	1 once	
	Debentures must be last item (or last item subtracted from Net Assets)	1	
	Order in financed by section mixed (however if candidates have already lost the mark for debentures do not penalise again)		-1P

## Question 2

		Award Marks Lost	Penalties
	<b>PART A</b>		
<b>(a)</b>	All items are awarded 1 mark. Any item wrong, omitted or wrongly treated lose award  Extraneous items eg interest on loan, end of year items	<b>1 each</b>	<b>-1P each</b>
<b>(b)</b>	Any item wrong, omitted or wrongly treated lose award  Extraneous items	<b>1 each</b>	<b>-2E once</b>
<b>(c)</b>	Any item wrong, omitted or wrongly treated lose award. Both Dance and Sponsored Walk Profit labels must be shown to gain award  Extraneous – each statement	<b>1 each</b> <b>1</b>	<b>-2E (max -4 each statement)</b>
<b>(d)</b>	Heading incorrect/missing		<b>-1</b>
	Subscriptions – award 1 mark for £10,000	<b>2</b>	
	Award 2 marks for £10,200 or £9,600	<b>1</b>	
	Electricity – award 1 mark for £600 or £850	<b>1</b>	
	Depreciation – award 1 mark for £1,500 or £525	<b>1</b>	
	If profit on Dance and Sponsored Walk not entered, all items from each statement must be entered to gain the profit marks	<b>1 or 2</b>	
	If profit figures for Dance and Sponsored Walk entered and other Dance and Walk figures repeated lose the Profit awards	<b>1 or 2</b>	
	Surplus not labelled/wrongly labelled lose award		
	Extraneous items eg bank, equipment		<b>-2E max -4</b>
	<b>PART B</b>		
	Mark as per solution		

**Question 3**

**20 MARKS**

		<b>Award Marks Lost</b>	<b>Penalties</b>
	<b>PART A</b>		
	<b>Manufacturing Account (20 marks)</b>		
	Main heading wrong or omitted		<b>-1P</b>
	Sales entered and used		<b>-2P</b>
	Items in wrong sections (calculation or adjustment marks still given – light and heat; rent and rates; insurance; depreciation)	<b>1 each</b>	
	<b>(a) Cost of Raw Materials Consumed – 5 marks:</b>		
	Cost of Raw Materials Consumed label missing/not correct	<b>1</b>	
	<b>(b) Prime Cost – 3 marks</b>		
	Prime Cost not labelled/not correct	<b>1</b>	
	<b>(c) Factory Overheads/WIP – 12 marks</b>		
	Factory Overheads subtracted		<b>-2P</b>
	But if says Add in heading, then subtracted		<b>-1A</b>
	Factory Cost of Goods Manufactured not labelled/wrong	<b>1</b>	
	Extraneous items eg finished goods/sales of FG/machinery/ selling expenses etc		<b>-2E (max -4)</b>

**Question 3**

**16 Ratios (Computational) (14 marks)**

**SPECIAL INSTRUCTIONS**

		<b>Award Marks Lost</b>	<b>Penalties</b>
	<p><b>PART B</b></p> <p>Be aware of consequentiality throughout</p> <p>Mark as per solution however wrong formula gains no marks except (b), (d) and (e) where the correct calculation of Average Stock, Net Profit and Credit Sales gain their award</p> <p>(a), (b) and (e) Word “times”, “%” and “days” essential, otherwise</p> <p>(c) Accept 7:2, but if expressed as a percentage</p> <p><b>PART C</b></p> <p>Mark as per solution</p>	<b>1</b>	<b>-1P once</b>

**Question 4**

		<b>Award Marks Lost</b>	<b>Penalties</b>
<b>(a)</b>	<p>Mark as per solution</p> <p>Heading wrong or omitted (must include months)</p> <p><b><u>Figures are right or wrong</u></b></p> <p>Closing Balance omitted/clearly not consequential</p> <p>If no attempt to distinguish Receipts from Payments award marks to Receipts only</p> <p>If Receipts and Payments not separated into sections but identified as Receipts/Payments and treated correctly <b>ACCEPT</b> but apply penalty</p> <p>Additional items for March, Credit Sales, Materials and Variable Overheads</p> <p>However, if rent entered in March lose Rent line *If van entered in more than one month</p>	<p><b>22</b></p> <p><b>1</b></p> <p><b>2</b></p>	<p><b>-1P</b></p> <p><b>-1P</b></p> <p><b>-3P</b></p> <p><b>-2 each</b></p>
<b>(b)</b>	<p>Mark as per solution</p>		



### Question 5

		<b>Award Marks Lost</b>	<b>Penalties</b>
	(a) Any Department total missing  Part (b) is consequential on Departmental totals from part (a)  Part (c) is consequential on departmental totals from part (b)  Part (d) is consequential on departmental totals from part (c) £ sign missing in (d) ignore		<b>-1 each (max -2)</b>

**Question 6**

		<b>Award Marks Lost</b>	<b>Penalties</b>
	<b>PART A</b>		
	<b>WRONG FORMULA – NO AWARD</b>		
	(iii) Answer not £10 or consequential	<b>2</b>	
	(iv) Contribution not £10 or consequential on (a) (iii) Units not multiplied by £30 or consequential on (a) (i)	<b>2</b> <b>1</b>	
	(v) Contribution not £10 or consequential on (a) (iii)	<b>1</b>	
	(vi) Not divided by answer to (a) (iii)	<b>1</b>	
<b>(b)</b>	(i) Selling Price not £26 or consequential on (a) (i) Variable cost not £21 or consequential on (a) (ii)	<b>1</b> <b>1</b>	
	(ii) Contribution not £10 or consequential on (b) (i) Selling Price not £26 or consequential	<b>1</b> <b>1</b>	

### Question 6

	<b>Baking Process Account (14 marks)</b>	<b>Award Marks Lost</b>	<b>Penalties</b>
	<p><b>PART B</b></p> <p>If a list, treat all as inputs, but award 2 marks to “price per kg” £9.00</p> <p>Unit values only necessary where mark awarded ie showing final good output value per kg</p> <p>Watch out for consequentiality for scrap/waste/CPU</p> <p><b>PART C</b></p> <p>Mark as per solution</p>	<b>6</b>	

[END OF MARKING INSTRUCTIONS]