



National
Qualifications
2015

2015 Accounting

National 5

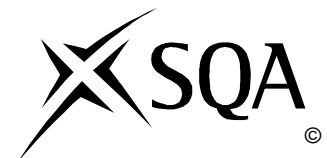
Finalised Marking Instructions

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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 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) For questions that ask candidates to 'Describe...', candidates must make a number of accurate relevant factual points of knowledge, up to the total mark allocation for the question. These should be key points. The points do not need to be in any particular order.

Question	Expected Answer(s)	Max Mark	Additional Guidance																																																																						
1. (a)	<p>General Instruction</p> <p>Accept answers to 3 or more decimal places.</p> <p>Where candidates have consequentially incorrect answers, apply conventional rounding methods to award mark.</p> <p>If candidate has rounded to 0 places in all answers, accept answers if they have rounded correctly. If one answer has decimal places shown, mark as per solution.</p> <table border="1" data-bbox="356 544 1296 687"> <tr> <td colspan="5">Gross Profit Ratio</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><u>Gross Profit</u> ×100</td> <td><u>243,500</u></td> <td>× 100</td> <td>= 28.65%</td> <td>(1)</td> </tr> <tr> <td>Sales Revenue</td> <td>850,000</td> <td></td> <td></td> <td></td> </tr> </table> <table border="1" data-bbox="356 722 1296 866"> <tr> <td colspan="5">Profit for Year (NP) Ratio</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><u>Profit for Year</u> ×100</td> <td><u>121,500</u></td> <td>× 100</td> <td>= 14.29%</td> <td>(1)</td> </tr> <tr> <td>Sales Revenue</td> <td>850,000</td> <td></td> <td></td> <td></td> </tr> </table> <table border="1" data-bbox="356 901 1296 1115"> <tr> <td colspan="5">Expenses Ratio</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="5">Expenses = Gross Profit - Net Profit = 243,500 - 121,500 = 122,000 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><u>Expenses</u> ×100</td> <td><u>122,000</u></td> <td>× 100</td> <td>= 14.35%</td> <td>(1)</td> </tr> <tr> <td>Sales Revenue</td> <td>850,000</td> <td></td> <td></td> <td></td> </tr> </table>	Gross Profit Ratio										<u>Gross Profit</u> ×100	<u>243,500</u>	× 100	= 28.65%	(1)	Sales Revenue	850,000				Profit for Year (NP) Ratio										<u>Profit for Year</u> ×100	<u>121,500</u>	× 100	= 14.29%	(1)	Sales Revenue	850,000				Expenses Ratio										Expenses = Gross Profit - Net Profit = 243,500 - 121,500 = 122,000 (1)										<u>Expenses</u> ×100	<u>122,000</u>	× 100	= 14.35%	(1)	Sales Revenue	850,000				17	<p>(1) Accept 28.6% or 28.7%</p> <p>(1) Accept 14.3%</p> <p>(2) Expenses consequential, if it is a reasonable attempt at <u>calculation</u> (inserted figure not acceptable). If so - award 2nd mark. If not - don't award 2nd mark.</p> <p>If figure for denominator other than sales revenue, no award for 2nd mark.</p> <p>Accept 14.3 or 14.4%</p> <p>Accept an answer as GP ratio - NP ratio</p>
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	One mark for ALL correct labelling of ratios ie “:1”, “%” etc	(1)	Applies to wrong answers also.																								

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		<ul style="list-style-type: none"> • Current liabilities have increased (Accept individual liability) • Purchase of non-current assets <p>DON'T ACCEPT: Loan of any sort</p> <p>Any 1 - 1 mark</p> <p>Debtors Collection Period has improved</p> <ul style="list-style-type: none"> • Debtors are receiving a (cash) discount and as a result are paying more quickly • Better Credit Control <p>DON'T ACCEPT: Paying back quicker Getting the money in sooner</p> <p>1 mark</p>	(1)	Accept discount on its own, no need for "cash". Don't accept Trade Discount.
	(c)	(i)		
		<p>Sales figure = Sales + 10%</p> <p>= £850,000 + £85,000</p> <p>= £935,000 (1)</p>	(1)	
		(ii)		
		<p>Gross Profit = 28.65% of £935,000</p> <p>= £267,877.50 (1)</p>	(1)	<p>May be consequential on candidate's answer to part (c) (i) and also the GP% calculated in (a).</p> <p>Accept: £267,877 £267,878</p>
		(iii)		
		<p>Net Profit = 16% of £935,000</p> <p>= £149,600 (1)</p>	(1)	May be consequential on candidate's answer to part (c) (i).

Question		Expected Answer(s)	Max Mark	Additional Guidance														
(d)	(i)		(2)	Any 1 source - 1 mark with appropriate justification - 1 mark.														
	(ii)	<table border="1"> <thead> <tr> <th>Source</th> <th>Justification</th> </tr> </thead> <tbody> <tr> <td>Personal Savings</td> <td>No repayments No interest to pay</td> </tr> <tr> <td>Mortgage/Remortgage</td> <td>Repayments can be spread over a long period Can be repaid in instalments Interest rate may be lower</td> </tr> <tr> <td>Loan</td> <td>Repayments can be spread over a long period Can be repaid in instalments Once approved, funds can be accessed quickly (UPJ)</td> </tr> <tr> <td>Grant</td> <td>No need to repay No interest to pay</td> </tr> <tr> <td>Take on a Partner</td> <td>Benefit from their expertise Shared workload</td> </tr> <tr> <td>Form a company & sell shares</td> <td>Benefit from shareholder knowledge Able to raise a high amounts of finance</td> </tr> <tr> <td>Business Angel</td> <td>Benefit from their expertise</td> </tr> </tbody> </table> <p>DON'T ACCEPT: Family and Friends on its own (must refer to loan from....) Lottery Grant (Lose source award but accept justification as consequential)</p>			Source	Justification	Personal Savings	No repayments No interest to pay	Mortgage/Remortgage	Repayments can be spread over a long period Can be repaid in instalments Interest rate may be lower	Loan	Repayments can be spread over a long period Can be repaid in instalments Once approved , funds can be accessed quickly (UPJ)	Grant	No need to repay No interest to pay	Take on a Partner	Benefit from their expertise Shared workload	Form a company & sell shares	Benefit from shareholder knowledge Able to raise a high amounts of finance
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	(e)	<ul style="list-style-type: none"> • Bulk buying • To encourage customers to return • To encourage new customers • Given to trade/regular/loyal customers • Allows them to make a profit • To increase sales <p>Any 1 - 1 mark</p>	(1)	
	(f)	Statement (of Account) (1)	(1)	'of account' not required to gain award.
	(g)	<ul style="list-style-type: none"> • Debtors who do not pay • Debts which cannot be paid • Debtors who have become bankrupt • Written off as an expense in the profit and loss account • Money you know you are not going to get <p>DON'T ACCEPT: Debtors who don't pay within due date Debtors who might not pay</p> <p>Any 1 - 1 mark</p>	(1)	No award if referring to creditors.

Question		Expected Answer(s)						Max Mark	Additional Guidance
2.	(a)	Overhead	Basis	Total (£)	Cutting (£)	Finishing (£)	Canteen (£)	(1)	No awards given for entries in Basis or Total columns.
		Indirect Labour	Allocated	79,940	6,000	8,000	65,940		
		Employee Supervision	No of employees	40,000	14,400	19,200	6,400		
		Heat and Light	Floor Area	46,000	18,400	16,560	11,040		
		Rent and Rates	Floor Area	38,000	15,200	13,680	9,120		
		Insurance of Machinery	Value of machinery	12,000	4,000	6,000	2000		
		Total		216,000	58,000	63,440	94,500		
	(b)	Canteen	No of employees	94,500	40,500	54,000		(2)	One for cutting, one for others. If wrong basis applied, second mark is consequential.
		Total			98,500	117,440		(1)	
								(3)	
							(1)	If split is 9/25 and 12/25 - 0 marks /1 mark c.e. Any other split - 0 marks.	
								Wrong figure reapportioned but apportionment correct (9/21 and 12/21) - 2 marks.	
								Wrong figure reapportioned and apportionment wrong (9/25 and 12/25) - 1 mark.	
								Wrong figure reapportioned and any other split - 0 mks.	
								If reapportionments have decimal points, accept figures rounded to whole numbers correctly.	

Question		Expected Answer(s)	Max Mark	Additional Guidance	
	(c)	<p>Basic hours: Cutting - 20 hours \times £8 = £160 Finishing - 20 hours \times £12 = £240</p> <p>Overtime: Cutting - (22-20) \times 1.5 \times £8 = £24 Finishing - (33-20) \times 1.5 \times £12 = £234</p> <p>TOTAL - £160 + £240 + £24 + £234 = £658</p>	(2) (2) (3) (3) (1)	See appendix for guidance and alternative answers.	
	(d)	(i)	The level of output where a business makes neither a profit nor a loss. The point where all costs are covered. Total Costs = Sales Revenue.	(1)	
		(ii)	Employees are paid per how much they produce.	(1)	
		(iii)	A percentage/amount added to the cost of a job. A percentage/amount added to calculate the final selling price. DON'T ACCEPT: A percentage which adds profit.	(1)	Answer needs to be "double barrelled". Percentage on its own - no award. Profit is in stem of question.

Question	Expected Answer(s)	Max Mark	Additional Guidance
(e)	<ul style="list-style-type: none"> • Overdrafts or borrowing can be arranged if a cash shortage is anticipated. • Aids future planning eg purchase of fixed assets • Management can see if any cutbacks are necessary • Assist in management decision making / Set targets • Use it to compare with actual results • See if costs <u>are going to rise</u> / See <u>if going to be</u> spending too much <p>DON'T ACCEPT: See if costs are rising / See if we have spent too much.</p> <p>DON'T ACCEPT: Shows cash inflows and outflows or shows opening and closing balances <u>unless</u> candidate describes benefit.</p>	(2)	<p>One mark for each correct benefit.</p> <p>If future benefit mentioned only once - assume for both marks.</p> <p>Candidates must show a benefit. Merely stating the contents is not enough.</p>

Section 2

Question	Expected Answer(s)	Max Mark	Additional Guidance																																																																									
3.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="3" data-bbox="365 245 1261 347">SHOP SUPPLIES TRIAL BALANCE AS AT 30/04/14</td> <td data-bbox="831 347 1055 384" style="text-align: center;">DR</td> <td data-bbox="1055 347 1261 384" style="text-align: center;">CR</td> </tr> <tr> <td data-bbox="365 384 629 421">Revenue</td> <td data-bbox="629 384 831 421" style="text-align: center;">1</td> <td data-bbox="831 384 1055 421"></td> <td data-bbox="1055 384 1261 421" style="text-align: right;">64,500</td> </tr> <tr> <td data-bbox="365 421 629 458">Purchases</td> <td data-bbox="629 421 831 458"></td> <td data-bbox="831 421 1055 458" style="text-align: right;">24,800</td> <td data-bbox="1055 421 1261 458"></td> </tr> <tr> <td data-bbox="365 458 629 494">Revenue Returns</td> <td data-bbox="629 458 831 494" style="text-align: center;">1</td> <td data-bbox="831 458 1055 494" style="text-align: right;">2,000</td> <td data-bbox="1055 458 1261 494"></td> </tr> <tr> <td data-bbox="365 494 629 531">Purchase Returns</td> <td data-bbox="629 494 831 531"></td> <td data-bbox="831 494 1055 531"></td> <td data-bbox="1055 494 1261 531" style="text-align: right;">500</td> </tr> <tr> <td data-bbox="365 531 629 568">Discount Allowed</td> <td data-bbox="629 531 831 568" style="text-align: center;">1</td> <td data-bbox="831 531 1055 568" style="text-align: right;">132</td> <td data-bbox="1055 531 1261 568"></td> </tr> <tr> <td data-bbox="365 568 629 604">Discount Received</td> <td data-bbox="629 568 831 604"></td> <td data-bbox="831 568 1055 604"></td> <td data-bbox="1055 568 1261 604" style="text-align: right;">1,000</td> </tr> <tr> <td data-bbox="365 604 629 641">Carriage In</td> <td data-bbox="629 604 831 641" style="text-align: center;">1</td> <td data-bbox="831 604 1055 641" style="text-align: right;">400</td> <td data-bbox="1055 604 1261 641"></td> </tr> <tr> <td data-bbox="365 641 629 678">Carriage Out</td> <td data-bbox="629 641 831 678"></td> <td data-bbox="831 641 1055 678" style="text-align: right;">60</td> <td data-bbox="1055 641 1261 678"></td> </tr> <tr> <td data-bbox="365 678 629 715">Trade Receivables</td> <td data-bbox="629 678 831 715" style="text-align: center;">1</td> <td data-bbox="831 678 1055 715" style="text-align: right;">500</td> <td data-bbox="1055 678 1261 715"></td> </tr> <tr> <td data-bbox="365 715 629 751">Trade Payables</td> <td data-bbox="629 715 831 751"></td> <td data-bbox="831 715 1055 751"></td> <td data-bbox="1055 715 1261 751" style="text-align: right;">1,850</td> </tr> <tr> <td data-bbox="365 751 629 788">Premises</td> <td data-bbox="629 751 831 788" style="text-align: center;">1</td> <td data-bbox="831 751 1055 788" style="text-align: right;">56,400</td> <td data-bbox="1055 751 1261 788"></td> </tr> <tr> <td data-bbox="365 788 629 825">Bank Overdraft</td> <td data-bbox="629 788 831 825" style="text-align: center;">1</td> <td data-bbox="831 788 1055 825"></td> <td data-bbox="1055 788 1261 825" style="text-align: right;">1,600</td> </tr> <tr> <td data-bbox="365 825 629 861">Inventory</td> <td data-bbox="629 825 831 861" style="text-align: center;">1</td> <td data-bbox="831 825 1055 861" style="text-align: right;">2,540</td> <td data-bbox="1055 825 1261 861"></td> </tr> <tr> <td data-bbox="365 861 629 898">Drawings</td> <td data-bbox="629 861 831 898" style="text-align: center;">1</td> <td data-bbox="831 861 1055 898" style="text-align: right;">2,900</td> <td data-bbox="1055 861 1261 898"></td> </tr> <tr> <td data-bbox="365 898 629 935">Equity</td> <td data-bbox="629 898 831 935" style="text-align: center;">0</td> <td data-bbox="831 898 1055 935"></td> <td data-bbox="1055 898 1261 935" style="text-align: right;">20,282</td> </tr> <tr> <td data-bbox="365 935 629 971"></td> <td data-bbox="629 935 831 971" style="text-align: center;">1</td> <td data-bbox="831 935 1055 971" style="text-align: right;">89,732</td> <td data-bbox="1055 935 1261 971" style="text-align: right;">89,732</td> </tr> <tr> <td data-bbox="365 971 629 1008"></td> <td data-bbox="629 971 831 1008"></td> <td data-bbox="831 971 1055 1008"></td> <td data-bbox="1055 971 1261 1008"></td> </tr> </table>	SHOP SUPPLIES TRIAL BALANCE AS AT 30/04/14			DR	CR	Revenue	1		64,500	Purchases		24,800		Revenue Returns	1	2,000		Purchase Returns			500	Discount Allowed	1	132		Discount Received			1,000	Carriage In	1	400		Carriage Out		60		Trade Receivables	1	500		Trade Payables			1,850	Premises	1	56,400		Bank Overdraft	1		1,600	Inventory	1	2,540		Drawings	1	2,900		Equity	0		20,282		1	89,732	89,732					10	<p>One Mark to be awarded for the following pairs of correct entries:</p> <p>Revenue & Purchases Revenue Returns & Purchase Returns Discount Allowed & Received Carriage In & Out Trade Receivables & Trade Payables</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>Premises Bank Overdraft Inventory Drawings</p> <p>Award one mark for both totals if arithmetically correct.</p>
SHOP SUPPLIES TRIAL BALANCE AS AT 30/04/14			DR	CR																																																																								
Revenue	1		64,500																																																																									
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4.	<p data-bbox="349 172 969 201">Alex Fletcher - Inventory Record Card (LIFO)</p> <table border="1" data-bbox="349 236 1507 691"> <thead> <tr> <th rowspan="2">Date</th> <th colspan="3">Receipts</th> <th colspan="3">Issues</th> <th colspan="3">Balance</th> </tr> <tr> <th>Q</th> <th>CPU (£)</th> <th>V (£)</th> <th>Q</th> <th>CPU (£)</th> <th>V (£)</th> <th>Q</th> <th>CPU (£)</th> <th>V (£)</th> </tr> </thead> <tbody> <tr> <td>01 May</td> <td>200</td> <td>8.00</td> <td>1,600</td> <td></td> <td></td> <td></td> <td>200</td> <td>8.00</td> <td>1,600</td> </tr> <tr> <td>04 May</td> <td></td> <td>(1)</td> <td></td> <td>120</td> <td>8.00</td> <td>960</td> <td>80</td> <td>8.00</td> <td>640</td> </tr> <tr> <td>08 May</td> <td>400</td> <td>8.40</td> <td>3,360</td> <td></td> <td></td> <td></td> <td>80 400</td> <td>8.00 8.40</td> <td>640 3,360 (1) 4,000</td> </tr> <tr> <td>12 May</td> <td></td> <td></td> <td></td> <td>(2) 200</td> <td>8.40</td> <td>1,680</td> <td>80 200</td> <td>8.00 8.40</td> <td>640 1,680 (1) 2,320</td> </tr> <tr> <td>18 May</td> <td></td> <td></td> <td></td> <td>(2) 200 (1) 40</td> <td>8.40 8.00</td> <td>1,680 320</td> <td>40</td> <td>8.00</td> <td>320 (1)</td> </tr> </tbody> </table> <p data-bbox="349 719 495 748"><u>Important</u></p> <p data-bbox="349 778 1496 807">Done as FIFO, lose the 5 issue marks awarded on 12 & 18 May (max overall award is 5).</p> <p data-bbox="349 837 1496 936">If 2 separate groups of stock not shown in 8 May balance and then subsequent balances, lose award for balance on 8 May and lose the 5 issue marks awarded on 12 & 18 May (max overall award is 4). The final balances on 12 & 18 May are consequential.</p> <p data-bbox="349 967 1496 1031">Candidate may have extra information in a box (they may keep a running balance). If for example, Issues on 4 May has the following, do not award the mark:</p> <table border="1" data-bbox="349 1058 595 1129"> <tbody> <tr> <td>120</td> <td>8</td> <td>960</td> </tr> <tr> <td>80</td> <td>8</td> <td>640</td> </tr> </tbody> </table> <p data-bbox="349 1160 1496 1224">The mark is not given, as a user may think 2 sets of stock have been issued. If this happens in 2 mark entries then award 1 max for the correct issue.</p> <p data-bbox="349 1254 1496 1347">The balance column may contain extra entries due to candidates having a simple calculation to arrive at the balance. This is acceptable. UPJ. If extra entries in Balance column are at all unclear - lose award.</p>	Date	Receipts			Issues			Balance			Q	CPU (£)	V (£)	Q	CPU (£)	V (£)	Q	CPU (£)	V (£)	01 May	200	8.00	1,600				200	8.00	1,600	04 May		(1)		120	8.00	960	80	8.00	640	08 May	400	8.40	3,360				80 400	8.00 8.40	640 3,360 (1) 4,000	12 May				(2) 200	8.40	1,680	80 200	8.00 8.40	640 1,680 (1) 2,320	18 May				(2) 200 (1) 40	8.40 8.00	1,680 320	40	8.00	320 (1)	120	8	960	80	8	640	(10)	<p data-bbox="1697 172 2065 236">Watch consequentiality throughout question.</p> <p data-bbox="1697 266 2065 397">For 1 mark entries, all items in the receipts/issues column must be correct to receive award.</p> <p data-bbox="1697 427 2065 695">If a mistake in 2 mark allocations, candidates can gain 1 mark provided they have the correct Q and CPU of stock issued (e.g. arithmetic error, missing balance). Otherwise no award.</p> <p data-bbox="1697 726 2065 898">The final mark in the balance column is for correct balances on 1st, 4th and 18th May and also for correct dates.</p> <p data-bbox="1697 928 2065 1133">If Balance has 2 separate stocks, need to show a total value of both stocks to gain Balance mark. If candidate repeats this, treat as consequential.</p> <p data-bbox="1697 1163 2065 1335">Where 2 separate stocks and total value are shown but individual totals are not - accept. Eg - 8 May only has £4,000 in balance.</p>
Date	Receipts			Issues			Balance																																																																							
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5.	<table border="1"> <thead> <tr> <th>Date</th> <th>Details</th> <th>Debit</th> <th>Credit</th> <th>Balance</th> </tr> </thead> <tbody> <tr> <td>1 Apr</td> <td>Balance</td> <td>360.00</td> <td></td> <td>360.00</td> </tr> <tr> <td>10 Apr</td> <td>Sales</td> <td>578.34*</td> <td></td> <td>938.34</td> </tr> <tr> <td>12 Apr</td> <td>Sales Returns</td> <td></td> <td>43.20</td> <td>895.14</td> </tr> <tr> <td>20 Apr</td> <td>Bank/Cheque</td> <td></td> <td>325.00</td> <td>570.14</td> </tr> <tr> <td>20 Apr</td> <td>Discount (Allowed)</td> <td></td> <td>35.00</td> <td>535.14</td> </tr> </tbody> </table> <p style="text-align: center;">Correct arithmetic, dates and nomenclature</p> <p>*486 × 5% = 24.30 (1) 486 - 24.30 = 461.70 (1) 461.70 × 20% = 92.34 (1) 486 + 92.34 = 578.34 (1) Entry on debit side (1)</p> <p>Candidates may have a figure for Sales of £554.04. This figure can be arrived at in 2 different ways. The first (using the working above) is when on the final line of working, they add £92.34 onto £461.70. This calculation would gain 3 marks (+1 for correct entry).</p> <p>The second method is if they add VAT to the goods value before adjusting for the discount (£486 × 1.2 × 0.95). This calculation gains 2 marks (+1 for correct entry).</p> <p>Where £554.04 and no working - award 2 marks for calculation (+1 for correct entry).</p> <p>A figure of £583.20 (Vat applied to £486 and no cash discount worked out) would gain 2 marks (+1 for correct entry).</p> <p>If there is only an entry of £486 and then VAT entry of £97.20 award 1 mark (+1 for correct entry).</p> <p>If entry of £486 only, award 0 marks (+1 for correct entry).</p>	Date	Details	Debit	Credit	Balance	1 Apr	Balance	360.00		360.00	10 Apr	Sales	578.34*		938.34	12 Apr	Sales Returns		43.20	895.14	20 Apr	Bank/Cheque		325.00	570.14	20 Apr	Discount (Allowed)		35.00	535.14	(1) (5) (1) (1) (1) (1)	<p>If Dr and Cr COMPLETELY REVERSED, lose opening bal & mark consequentially.</p> <p>If ONE entry correct, mark as per solution although Sales Returns will be consequential on Sales.</p> <p>If hard to determine whether figures are Dr or Cr - mark as per solution.</p> <p>No need for Disc Allowed date if Bank entry has date.</p> <p>If Cash Discount shown on statement, no award for the 1 mark VAT calculation.</p> <p>If entry on 20 Apr is Bank & Discount £360, accept for 2 marks. If entry is £360 with nomenclature "Bank" award 2 marks and lose nomenclature award.</p> <p><u>Nomenclature</u></p> <p>1 Apr - need Balance. Don't accept "Amount Owing".</p> <p>10/12 Apr - no need for VAT. Accept Sales even if reversed. Only accept Purchases if consequential.</p> <p>20 Apr - Accept Discount on own or Discount Received.</p>
Date	Details	Debit	Credit	Balance																													
1 Apr	Balance	360.00		360.00																													
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6.	<p>JUST JUICE STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS AT 31 DECEMBER YEAR 3</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 15%; text-align: right;">£</th> <th style="width: 15%; text-align: right;">£</th> <th style="width: 10%; text-align: right;">£</th> </tr> <tr> <th style="text-align: left;">(1) NON-CURRENT ASSETS</th> <th style="text-align: right;">COST</th> <th style="text-align: right;">DEP</th> <th style="text-align: right;">NBV</th> </tr> </thead> <tbody> <tr> <td>Vehicles</td> <td style="text-align: right;">95,000 (1)</td> <td style="text-align: right;">25,000 (1)</td> <td style="text-align: right;">70,000</td> </tr> <tr> <td colspan="4">(2) CURRENT ASSETS</td> </tr> <tr> <td>Inventory</td> <td style="text-align: right;">28,000</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Trade Receivables</td> <td style="text-align: right;">14,000</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>LESS PBD</td> <td style="text-align: right;">1,000</td> <td style="text-align: right;">13,000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Prepaid Expenses</td> <td style="text-align: right;">240</td> <td style="text-align: right;">41,240</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td colspan="4">LESS (3) CURRENT LIABILITIES</td> </tr> <tr> <td>Trade Payables</td> <td style="text-align: right;">1,200</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Cash and Cash Equivalents (Bank Overdraft)</td> <td style="text-align: right;">40</td> <td style="text-align: right;">1,240</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>WORKING EQUITY</td> <td></td> <td></td> <td style="text-align: right;"><u>40,000</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>110,000</u></td> </tr> </tbody> </table> <p>PLUS</p> <p>(1) for all arithmetic correct AND total/subtotals for Current Assets, Current Liabilities (not needed of only 1 CL), Working Equity (nomenclature not needed) and Net Worth (nomenclature not needed).</p> <p>(1) for no extraneous items (Capital, Drawings, Net Profit) AND Account Name (no need for Just Juice) AND headings marked 1-3.</p>		£	£	£	(1) NON-CURRENT ASSETS	COST	DEP	NBV	Vehicles	95,000 (1)	25,000 (1)	70,000	(2) CURRENT ASSETS				Inventory	28,000		(1)	Trade Receivables	14,000		(1)	LESS PBD	1,000	13,000	(1)	Prepaid Expenses	240	41,240	(1)	LESS (3) CURRENT LIABILITIES				Trade Payables	1,200		(1)	Cash and Cash Equivalents (Bank Overdraft)	40	1,240	(1)	WORKING EQUITY			<u>40,000</u>				<u>110,000</u>	10	<p>If entry appears twice, apply +/- rule.</p> <p>Entries for Depreciation and PBD have to be correct effect to gain award.</p> <p>If only NBV shown, award both marks.</p> <p>If PBD detached from trade receivables, lose award.</p> <p>Accept £13,000 for trade receivables for 2 marks.</p> <p>Ignore any Financed By section.</p> <p>WATCH - candidate answer could be £110,000 but there could be a mistake due to PBD being entered into Current Liabilities.</p>
	£	£	£																																																				
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[END OF MARKING INSTRUCTIONS]