



National
Qualifications
2016

2016 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 (UPJ).**
- (g) **Due to new HMRC legislation on prompt payment (cash) discounts, it has been necessary to include 2 different solutions for Q3. Markers should ascertain which method the candidate has used to prepare the invoice and mark accordingly.**

Specific Marking Instructions - Question 1

General Principles

- It is **STRONGLY ADVISED** markers approach the question by marking transactions sequentially in date order (ie mark the 3 entries for 2 Apr first, then mark the 3 entries for 5 Apr etc).

When marking a transaction it is helpful to have a starting point, and then ask yourself “What would I expect to see next?” The following starting points in a transaction are advised:

2 Apr - Start with entry in Sales Acc (or Purchases Acc if candidate has wrong treatment)

5 Apr - Start with entry in Sales Ret Acc (or Purch Ret Acc if candidate has wrong treatment)

7 Apr - Start with entry in Equipment Acc

10 Apr - Start with entry in Bank Acc

14 Apr - Start with entries in J Young Acc.

Check to see if there is a Dr or Cr balance on J Young Acc as this will dictate how you subsequently award marks.

- Markers should consequentially mark each transaction. This may mean, in some instances, that a correct answer in a ledger account is consequentially wrong. For example, for the transaction on 10 April, a candidate may have:

Bank Acc -	£275 Cr	
J Young Acc -	£275 Cr	<i>This would get 0 marks</i>

In this instance, even although the J Young Acc entry is correct as per solution, it would be consequentially wrong as we would expect to see a double entry. If the candidate had reversed the entry as follows, one mark would be awarded:

Bank Acc -	£275 Cr (X)
J Young Acc -	£275 Dr (1) CE

NOTE: this applies to two entry transactions. Where VAT is involved, see separate sheet.

- If the candidate has treated the 2 April as Purchases and 5 April as Purchases Returns then the candidate will lose the initial mark of £265.50 Dr in the Purchases Acc. The remaining 5 marks over both transactions may be awarded **ONLY** if they are correct in terms of the Dr and Cr entries you would normally expect to see for transactions involving Purchases and Purchase Returns. **No further consequentiality will be considered for these transactions.** Consequentiality has a limit!
- If the candidate has treated the 2 April as Purchases and 5 April as Sales Returns then this is consequentially wrong. The candidate will **lose all 3 marks** associated with the 5 April transaction (despite the entries being correct as per solution).

Nomenclature

- Nomenclature can be consequential on the transaction. Nomenclature is also consequential on the account names used by the candidate (eg if candidate opens up a Discount Acc instead of Bad Debts, the account name would not be awarded a mark but using “Discount” in the nomenclature would be consequential).

Opening Balances

- If there is no indication of Dr/Cr when candidates have entered the opening balances, only give award if it can be ascertained through subsequent entries. If the opening balance is the sole entry in the account and there is no indication of Dr/Cr - no award.
- If there is no nomenclature for the opening balances, lose a nomenclature mark for the first omission (max 1). If other op balances are missing nomenclature do not penalise a 2nd time.
- Accept the opening balances entered out of sequence. For example, a candidate may have forgotten to enter the opening balances and only realised after they had completed some of the other transactions. This is acceptable providing the treatment is correct.

Consequentiality and Extra Entries

- Watch for consequentiality if no VAT has been applied. Taking the transaction on 7 April as an example, if a candidate enters £405 Dr in the Equipment Acc, doesn't record any VAT on the transaction, and then enters £405 Cr in Shop Supplies Acc, the entry in Shop Supplies Acc would receive a consequential mark.
- If there are any extra entries as part of a transaction, apply the +/- rule. Taking the transaction on 7 April as an example, if a candidate enters £405 Dr in the Equipment Acc and also enters £405 Dr in the Purchases Acc (with the VAT and Creditor Accounts being correct), they would only be awarded 2 marks over the transaction instead of 3. Markers should show this by putting a cross beside BOTH entries.

The Balance Column

- Entry & balance must be correct to gain award. If balance is incorrect, lose award (max 2).
- If an entry is incorrect - ignore balance. Any incorrect balance on a wrong entry does not count towards the candidate's allowance for balance column.
- If in J Young Acc, the opening balance is treated as a credit, lose an entry award on the first correct entry.
- In J Young Acc, it is especially important to work through the candidate's transactions to ascertain what the balance column should consequentially be before the 14 Apr transaction (see over). On occasion a candidate may write Dr or Cr on the balance but this has no correlation with the candidate's treatment of the entries. Markers should make decisions on whether the account has a Dr or Cr balance, based on how the candidate has treated the entries, rather than just looking at the words "Dr" or "Cr" beside the balance column.

Marking Annotations

- At the end of the question, the marker should show the date/heading/nomenclature marks. If any of these marks not awarded, the marker should show a cross where error has occurred.

J Young Account

The Sales and VAT entry on 2 April may be split into 2 separate entries - accept.

The Sales Return and VAT entry on 5 April may be split into 2 separate entries - accept.

If the entries on 14 April are combined for one entry of £259.20, the nomenclature MUST say Bank and Bad Debts for 3 marks.

If there is only one entry on 14 April of £259.20 with the nomenclature "Bank" or "Bad Debts" and the candidates have applied the bad debt in the ledgers correctly (£64.80 in the Bank Acc and £194.40 in the Bad Debts Acc), then the entry is correct in J Young Acc for 3 marks and the nomenclature is incorrect and loses a nomenclature award.

If there is only one entry on 14 April of £259.20 with the nomenclature "Bad Debt" and no indication of any monies paid to the Bank Acc - 1 mark in J Young Account and 1 consequential mark for £259.20 Dr entry in Bad Debts Acc.

If there is only one entry on 14 April of £259.20 with the nomenclature "Bank" and no indication of the bad debt anywhere in the accounts - 0 marks in J Young Account and 1 consequential mark for £259.20 Dr entry in Bank Acc.

If, before the transaction on the 14 April, there is a Credit Balance on the account caused by the candidate's treatment of previous entries, then this Credit Balance will lead the candidate into reversing the subsequent entries. In this instance we would consequentially award the marks for being in the Debit Column (as this is the only way a candidate can turn a Cr Balance into 0). The corresponding entries in the Bank and Bad Debts should now be credit instead of debit and we would award these full consequentiality marks. eg

	Date	Details	Dr	Cr	Bal	
J Young Acc					300.00	Cr
	14 Apr	Bank	75.00 (2)		225.00	Cr
	14 Apr	Bad Debts	225.00 (1)		0	
Bank Acc	14 Apr	J Young		75.00 (1)		
Bad Debts Acc	14 Apr	J Young		225.00 (1)		

If however, the candidate puts the bank transaction in the Cr Column when there is a Cr Balance, we would mark this entry as wrong (despite the entry being correct as per solution). The candidate would still be awarded the calculation mark. As per double entry rules, we would expect to see the entry in the Bank Acc as a debit and this would gain a consequential mark:

	Date	Details	Dr	Cr	Bal	
J Young Acc					300.00	Cr
	14 Apr	Bank		75.00 (X) entry (1) calc	375.00	Cr
Bank Acc	14 Apr	J Young	75.00 (1)			

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PLUS additional marks for the following:

1 mark for all dates correct

1 mark if all account names are correct (other than bad debts which has its own mark)

2 marks if all nomenclature correct (lose 1 mark for first nomenclature mistake, 2 marks for two mistakes. Ignore wrong nomenclature thereafter)

Question 1 Alternative Solution

2 Apr

Dr
J Young Acc
Sales Revenue & Vat- £318.60 (1)

Cr
Sales Acc
J Young - £265.50 (1)

VAT Acc
J Young - £53.10 (1)

5 Apr

Dr
Sales Ret Acc
J Young - £49.50 (1)

Cr
J Young
Sales Ret & VAT - £59.40 (1)

VAT Acc
J Young - £9.90 (1)

7 Apr

Dr
Equipment Acc
Shop Supplies - £405.00 (1)

Cr
Shop Supplies Acc
Equipment & Vat - £486.00 (1)

VAT Acc
Shop Supplies - £81.00 (1)

10 Apr

Dr
Bank Acc
J Young - £275.00 (1)

Cr
J Young Acc
Bank - £275.00 (1)

14 Apr

Dr
Bank Acc
J Young - £64.80 (1)

Cr
J Young Acc
Bank - £64.80 (2)

Bad Debt Acc
J Young - £194.40 (1)

J Young Acc
Bad Debts - £194.40 (1)

Question 1 - Examples of Candidate Responses

The transaction on 2 April has been used as an example although the same principles apply to the entries of 5 April and 7 April.

Scenario 1 – Reversal of ALL entries

Dr	Cr
<u>Sales Acc</u>	<u>J Young Acc</u>
J Young - £265.50 (X)	Sales Revenue - £318.60 (1) CE
<u>VAT Acc</u>	
J Young - £53.10 (1) CE	

2 marks

Scenario 2 – All entries on Debit side

Dr	Cr
<u>Sales Acc</u>	
J Young - £265.50 (X)	
<u>VAT Acc</u>	
J Young - £53.10 (X)	
<u>J Young Acc</u>	
Sales Revenue - £318.60 (1)	

1 mark

Scenario 3 – All entries on Credit side

Dr	Cr
	<u>Sales Acc</u>
	J Young- £265.50 (1)
	<u>VAT Acc</u>
	J Young - £53.10 (1)
	<u>J Young Acc</u>
	Sales Revenue - £318.60 (X)

2 marks

Scenario 4

Dr	Cr
<u>Sales Acc</u>	
J Young - £265.50 (X)	
<u>J Young Acc</u>	<u>VAT Acc</u>
Sales Revenue - £318.60 (1)	J Young - £53.10 (1)

2 marks

Scenario 5

Dr	Cr
<u>VAT Acc</u>	<u>Sales Acc</u>
J Young - £53.10 (X)	J Young - £265.50 (1)
	<u>J Young Acc</u>
	Sales Revenue - £318.60 (X)

1 mark

Scenario 6

Dr	Cr
<u>VAT Acc</u>	<u>Sales Acc</u>
J Young - £53.10 (X)	J Young - £265.50 (1)
<u>J Young Acc</u>	
Sales Revenue - £318.60 (1)	

2 marks

Scenario 7

Dr	Cr
<u>Sales Acc</u>	<u>VAT Acc</u>
J Young - £265.50 (X)	J Young - £53.10 (1)
	<u>J Young Acc</u>
	Sales Revenue - £318.60 (X)

1 mark

Scenario 8 - Treated as Purchases not Sales

Dr	Cr
<u>Purchases Acc</u>	
J Young - £265.50 (X)	
<u>VAT Acc</u>	<u>J Young Acc</u>
J Young - £53.10 (1) CE	Purchases - £318.60 (1) CE

2 marks

In this scenario accept 5 Apr transaction as Purchase Returns

Scenario 9

Dr	Cr
<u>J Young Acc</u>	<u>Sales Acc</u>
Sales Revenue - £265.50 (X)	J Young - £318.60 (X)
<u>VAT Acc</u>	
J Young - £53.10 (1) CE	

1 mark

In this scenario, we would award the VAT mark even although it is on the wrong side. We would also award the VAT mark had it been put as a Cr (as per solution). In this scenario for J Young Acc and Sales Acc - correct VAT calc gets a mark regardless of whether it is a Dr or a Cr.

Scenario 10 – Candidate thought Vat Inclusive

Dr	Cr
<u>J Young Acc</u>	<u>Sales Acc</u>
Sales Revenue - £265.50 (1) CE	J Young - £212.40 (X)
	<u>VAT Acc</u>
	J Young - £53.10 (1) CE

2 marks

In this scenario, the candidate has thought VAT was inclusive and subtracted it. A similar scenario may occur if they divide £265.50 by 1.2 to get a Sales figure of £221.25 and then a VAT figure of £44.25. We would treat those figures in the same way as above. Candidates may then also divide by 1.2 in transactions on 5 & 7 April. Treat the same way as above.

Question		Expected Answer(s)	Max Mark	Additional Guidance	
	(b)	<ul style="list-style-type: none"> • Keeps accurate records of the daily financial transactions of the firm (1) • Book-keeping/Preparing Ledgers • Checks the financial records to maintain accuracy and reduce fraud (1) • Prepares periodic financial statements to show profit/loss, balance sheet etc (1) • Ensures that the firm is operating within financial law/accounting guidelines (1) • Helps deal with taxes (1) • Prepares ratio analyses (1) 	2	<p>Any 2 for 1 mark each.</p> <p>If candidate just writes “Financial Statements” then no award. Must be doing something with them ie “preparing”.</p> <p>Don’t accept “Admin” type jobs eg preparing or sending out Invoices/credit notes/statements of account etc</p>	
	(c)	(i)	Trade Discount is given to encourage sales eg Bulk buying; attract new customers; customer loyalty; same trade;	1	Any one for one mark.
		(ii)	Cash discount is given to encourage prompt payment	1	Right or wrong.
	(d)		Rent Received would be added on to Gross Profit It would be entered under ‘Other Income’	1	Accept either answer.

Question		Expected Answer(s)	Max Mark	Additional Guidance
				<p>Watch consequentiality throughout the question.</p> <p>Throughout question, 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>
2.	(a)	$\text{£}10 + \text{£}24 + \text{£}12 = \text{£}46$ (1) (1) (1)	3	Max 2 marks if arithmetic error.
	(b)	$\text{£}70 - \text{£}46 = \text{£}24$ (2)	2	All or nothing. Award 1 mark if arithmetic error.
	(c)	$\text{£}96,000 / \text{£}24 = 4,000$ units (2) $4,000 \times \text{£}70 = \text{£}280,000$ (1)	3	<p>The first 2 marks are all or nothing.</p> <p>Award 1 mark if arithmetic error</p> <p>Award 1 mark if 4000 not stated (question asks for BEP)</p>
	(d)	$7,000 - 4,000 = 3,000$ units (2) $3,000 \times \text{£}70 = \text{£}210,000$ (1)	3	<p>The first 2 marks are all or nothing.</p> <p>Award 1 mark if arithmetic error.</p> <p>Award 1 mark if 3000 not stated (question asks for MOS)</p>
	(e)	$(14,000 - 4,000) = 10,000$ units (1) $10,000 \times \text{£}24 = \text{£}240,000$ (1) (1) OR $(14,000 \times \text{£}24) = \text{£}336,000 - \text{£}96,000 = \text{£}240,000$ (1) (1) (1)	3	<p>To gain first mark - candidate must use 14,000 units and the break-even point correctly.</p> <p>Accept 10,000 units 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, UPJ to allocate marks.</p>

Question		Expected Answer(s)	Max Mark	Additional Guidance
		PART B		
	(a)	$1,500 \times £40 = £60,000$ (2)	2	All or nothing. Award 1 mark if arithmetic error.
	(b)	$(£60,000 + £30,000) / £40 = 2,250$ units (1) (1) (1) OR $£30,000 / £40 = 750 + (1,500 = 2,250$ Units) (1) (1) (1)	3	Max 2 marks overall if answer incorrect based on correct/consequential figures used. Candidates may use a different method to get the correct answer. If answer incorrect, UPJ to allocate marks.
	(c)	New Contribution per unit = $£40 + £4 + £3.50 = £47.50$ (1) (1) New Fixed costs = $£60,000 \times 95\% = £57,000$ (1) (1) New Break-even point = $£57,000 / £47.50 = 1,200$ units (1) Change in BEP = $1,500 - 1,200 = 300$ (1)	6	Award 1 mark if arithmetic error in contribution. If a different figure than £40 is used as the starting figure - max 1. Accept FC of £57,000 on its own for 2 marks. Fixed costs of £63,000 gets 1 mark (added 5%) Accept Contribution of £47.50 (or consequential figure) on its own for 2 marks. Accept Contribution figures of £40.50 and £39.50 for 1 mark. No need to indicate the word increase/decrease for change. Candidates may use different method to get correct answer. If answer incorrect, UPJ to allocate marks.

Question		Expected Answer(s)	Max Mark	Additional Guidance
	(d) (i)	<ul style="list-style-type: none"> Allows comparison of results over a number of years Allows comparison with similar businesses in the industry Allows the business to identify areas of strength Allows the business to identify weaknesses/areas requiring improvement Allows the business to assess if targets have been achieved Accept the benefit of calculating a specific ratio ONCE ONLY. <p>DON'T ACCEPT To "see how well business is doing"</p>	2	One mark for each correct advantage x 2.
	(ii)	<ul style="list-style-type: none"> Arrange a source of finance (May be loan, overdraft, grant, more equity) Sell <u>surplus</u> assets Reduce expenses Lease assets instead of buying outright Pay fixed assets in instalments Arrange credit with suppliers Chase up debts quicker/debt factoring More promotion to encourage more sales. <p>DON'T ACCEPT Increase/Decrease Selling Price (unless impact on Sales mentioned)</p> <p>Mortgage or Own Savings as a source of finance</p>	3	<p>Any 3 suggestions, one mark each.</p> <p>Accept:</p> <ul style="list-style-type: none"> Individual sources of finance (max 2) Individual expenses (max 1) <p>Accept selling shares as a source of equity. Accept loan once only.</p> <p>Sell assets - no award. Must have surplus/underused etc.</p> <p>Accept any other valid answer - UPJ.</p>

Question		Expected Answer(s)			Max Mark	Additional Guidance	
3.	(a)	Solution 1 - (Old Treatment)				Accept penny rounding difference in calculations.	
		Quantity	Description	Unit Price £	Cost £		If no labels for Trade Discount or VAT - do not award final total mark. (There is no requirement for Net Goods Value label)
		9	Mountain Bike Helmet	50.00	450.00	1	Mark is for entire row.
		5	Trail X1 Mountain Bike	270.00	1,350.00	1	Mark is for entire row.
					1,800.00	1	
			Less Trade Discount		180.00	1	If no TD calc, do not double penalise by not awarding final total due to missing label.
			Net Goods Value		1,620.00	1	
			Add VAT		299.70	3	Award one mark if candidate ignores cash discount and calculates 20% of NGV. Award 0 marks if answer wrong and cannot be ascertained because candidate has not shown any working.
			Add Delivery		30.00	1	
			TOTAL		1,949.70*	1	For 1,919.70 and final total both correct.
VAT £1,620 x 7.5% = £121.50 (1) £1,620 - £121.50 = £1498.50 (1) £1498.50 x 20% = £299.70 (1)							
<ul style="list-style-type: none"> • If cash discount shown on invoice, do not award final total mark. • If anything is out of sequence (eg TD is AFTER VAT calculation, lose entry award) 							

Question		Expected Answer(s)			Max Mark	Additional Guidance	
3.	(a)	Solution 2 - (New Treatment)				Accept penny rounding difference in calcs.	
		Quantity	Description	Unit Price £	Cost £		If no labels for Trade Discount or VAT - do not award final total mark. (There is no requirement for Net Goods Value label)
		9	Mountain Bike Helmet	50.00	450.00	1	Mark is for entire row.
		5	Trail X1 Mountain Bike	270.00	1,350.00	1	Mark is for entire row.
					1,800.00	1	
			Less Trade Discount		180.00	1	If no TD calc, do not double penalise by not awarding final total due to missing label
			Net Goods Value		1,620.00	1	
			Less Cash Discount		121.50	1	
					1498.50	1	
			Add VAT		299.70	1	
					1,798.20*	1	1 mark for 1,798.20 and final total both correct (if there is no delivery charge, only final total needs to be correct)
			Add Delivery		30.00	1	
		TOTAL	1.828.20*	1			
<ul style="list-style-type: none"> If anything is out of sequence, eg TD is AFTER VAT calculation, lose entry award. (CD and TD may be swapped round) 							

Question		Expected Answer(s)				Max Mark	Additional Guidance																																																																																			
4.	(a)	<table border="1"> <tr> <td colspan="4">Charlie McTavish</td> </tr> <tr> <td colspan="4">Cash Budget *</td> </tr> <tr> <td></td> <td>September</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>£</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Opening Balance</td> <td>30,000*</td> <td>(1)</td> <td></td> <td></td> </tr> <tr> <td colspan="4">RECEIPTS</td> <td></td> </tr> <tr> <td>Cash Sales</td> <td>32,400</td> <td>(3)</td> <td>(1,500 x £54 x 40%)</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>(1) (1) (1)</td> <td></td> </tr> <tr> <td>Credit Sales</td> <td>82,800</td> <td>(2)</td> <td>([2,300 x £60] x 60%)</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>(1) (1)</td> <td></td> </tr> <tr> <td></td> <td>145,200</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="4">PAYMENTS</td> <td></td> </tr> <tr> <td>Raw Materials</td> <td>40,000</td> <td>(1)</td> <td></td> <td></td> </tr> <tr> <td>Wages</td> <td>13,200</td> <td>(1)</td> <td></td> <td></td> </tr> <tr> <td>Van Deposit</td> <td>4,000</td> <td>(1)</td> <td></td> <td></td> </tr> <tr> <td></td> <td>57,200</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Closing Balance</td> <td>88,000</td> <td>(1)</td> <td></td> <td></td> </tr> </table>				Charlie McTavish				Cash Budget *					September					£				Opening Balance	30,000*	(1)			RECEIPTS					Cash Sales	32,400	(3)	(1,500 x £54 x 40%)					(1) (1) (1)		Credit Sales	82,800	(2)	([2,300 x £60] x 60%)					(1) (1)			145,200				PAYMENTS					Raw Materials	40,000	(1)			Wages	13,200	(1)			Van Deposit	4,000	(1)				57,200				Closing Balance	88,000	(1)			10	<p>If Cash Sales or Credit Sales is incorrect with no working then NO AWARD. Except for the following:</p> <ul style="list-style-type: none"> If Candidate has £81,000 or £36,000 for Cash Sales with no working - award 2 marks. If Candidate has £54,000 or £138,000 for Credit Sales with no working - award 1 mark. <p>Markers <u>should not try to work out any other permutations</u> for Cash and Credit Sales if no working.</p> <p>* The first mark is for BOTH correct opening balance and heading. Heading needs to have "Cash Budget" and the month (no need for Charlie McTavish).</p> <p>The closing balance award is for correct closing balance and reasonable/no missing nomenclature (ie lose award if candidate has "Closing Profit" instead of "Closing Balance").</p> <p>Ignore extraneous items like units included in body of Cash Budget.</p>
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Qu	Expected Answer(s)									Max Mark	Additional Guidance					
5.	Receipts			Issues			Balance			10	<p>Watch consequentiality throughout question.</p> <p>For 1 mark entries, all items in the receipts/issues column must be correct to receive award.</p> <p>If a mistake in 2 mark allocations, candidates can gain 1 mark provided they have the correct Q and CPU of stock issued. (eg arithmetic error, missing balance). Otherwise no award.</p> <p>The final mark in the balance column is for correct balances on 1st, 5th and 16th Nov and also for correct dates.</p> <p>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>Where 2 separate stocks and total value is shown but individual totals are not - accept. Eg - 7 Nov only has £10,800 in balance.</p> <p>The issues on 16 Nov don't need a total.</p> <p>If issues on 12 & 16 Nov are entered in Receipts, lose both the 2 mark awards. The 1 mark award for issue of 40 units on 16 Nov is consequential. WATCH the final balance. As these entries are receipts, final balance should reflect this. If not - no award.</p>					
	Date	Q	CPU (£)	V (£)	Q	CPU (£)	V (£)	Q	CPU (£)			V (£)				
	01 Nov	500	10.25	5,125				500	10.25			5,125				
	05 Nov			(1)	200	10.25	2,050	300	10.25			3,075				
	07 Nov	750	10.30	7,725				300 750	10.25 10.30			3,075 7,725 10,800 (1)				
	12 Nov				(2) 350	10.30	3,605	300 400	10.25 10.30			3,075 4,120 7,195 (1)				
	16 Nov				(2) 400 (1) 40	10.30 10.25	4,120 410	260	10.25			2,665 (1)				
Important																
<ul style="list-style-type: none"> Done as FIFO, lose the 5 issue marks on 12 & 16 Nov (max overall award is 5) If 2 separate groups of stock not shown in 7 Nov balance and then subsequent balances, lose award for balance on 7 Nov and lose the 5 issue marks awarded on 12 & 16 Nov (max overall award is 4). Final balances on 12 & 16 Nov are consequential (final balance on 16 Nov may be blank as all stock is issued - mark as correct) Candidate may have extra information in a box (eg they may keep a running balance). If for example, Issues on 5 Nov has the following, do not award the mark: <table border="1" data-bbox="315 1177 651 1249"> <tr> <td>200</td> <td>10.25</td> <td>2,050</td> </tr> <tr> <td>300</td> <td>10.25</td> <td>3,075</td> </tr> </table> <p>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> 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. 											200	10.25	2,050	300	10.25	3,075
200	10.25	2,050														
300	10.25	3,075														

Question		Expected Answer(s)	Max Mark	Additional Guidance
6.	(a)	<p>Contribution per Labour Hour</p> <p>= Contribution per Unit/Labour Hours per Unit</p> <p>Product X Product Y $\text{£}20/4 = \text{£}5$ per labour hour $\text{£}18/3 = \text{£}6$ per labour hour (1)</p>	1	Need both to be correct to gain mark.
	(b)	<p>Correct order = Product Y then X, because Product Y has higher contribution per hour (1)</p>	1	<p>May be consequential on candidate's answer to (a).</p> <p>If no attempt to outline reason - no award.</p> <p>If (a) (ii) is correct, candidate need only say "highest contribution" (per hour not needed).</p> <p>If (a) (ii) is incorrect, there must be an indication of "per hour" in candidate's reason.</p>
	(c)	<p>Hours allocated to each product</p> <p>Total available 56,000 hours</p> <p>Product Y 10,000 units x 3 hours = 30,000 hours (1)</p> <p>Product X 56,000 - 30,000 = 26,000 hours (1)</p>	2	<p>Watch for consequentiality. If candidate has picked Product X first in part (b), answer should be: X = 44,000 hours Y = 12,000 hours</p>
	(d)	<p>No of units to maximise profit</p> <p>Product Y 30,000 hours/3 = 10,000 units (1)</p> <p>Product X 26,000 hours/4 = 6,500 units (1)</p>	2	<p>Watch for consequentiality. If candidate has picked Product X first in part (b), answer should be: X = 11,000 units Y = 4,000 units</p>

Question	Expected Answer(s)	Max Mark	Additional Guidance
(e)	<p>Contribution from each product and in total</p> <p>Product Y £18 x 10,000 units = £180,000 (1)</p> <p>Product X £20 x 6,500 units = £130,000 (1)</p> <p>Total = £310,000 (1)</p> <p>Or alternatively</p> <p>Product Y £6 x 30,000 hours = £180,000 (1)</p> <p>Product X £5 x 26,000 hours = £130,000 (1)</p> <p>Total = £310,000 (1)</p>	3	<p>Watch for consequentiality. If candidate has picked Product X first in part (b), answer should be: X = £220,000 Y = £72,000</p> <p>Candidates may not calculate the total contribution in part (e), but they may then subsequently calculate it when completing part (f). Allow this crossover between the questions and award the mark for total contribution in part (e).</p>
(f)	<p>Maximum profit = Total Contribution - Fixed Costs</p> <p>Total Contribution £310,000</p> <p>Less Fixed Costs £165,000</p> <p>Profit £145,000 (1)</p>	1	Watch for consequentiality.

[END OF MARKING INSTRUCTIONS]