



National  
Qualifications  
2017

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# 2017 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) 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.

## INSTRUCTIONS FOR Q1 (a) (i) & (ii)

- If candidates have done full SOFP - ignore “top half” of SOFP.  
If loan included in with other “bottom half” figures then mark as extraneous. If loan is separated by a heading of “Long Term Loans” as final entry then not extraneous (but can still lose marks if not proper treatment).
- If a candidate has not made an attempt at Q1 (a)(ii), DO NOT mark as no response as there are still Layout, Extraneous and Arithmetic marks to award.
- For a mark to be awarded for correct entry of Trial Balance items, they must appear only once. It is therefore advisable to check both accounts before awarding marks (ignore “top half” of SOFP). If an entry does appear twice - apply +/- rule.
- For a mark to be awarded it must be the correct effect (a wrong effect like adding Sales Revenue Returns would get no award - but does not affect the Arithmetic mark).
- If more than 5 extraneous items in the Income Statement, only award marks in part (i) for Electricity prepayment, Wages accrual, Depreciation calculation and PBD creation (**max 4**). In part (ii) only award marks for correct Layout and Arithmetic (**max 2**).

- Depreciation

If £3,000 entered into Income Statement on its own - **0 marks** but NOT extraneous.

If both £3,000 and £1,500 entered into Income Statement (or combined £4,500) - **0 marks**.

- Bad debts/PBD

If PBD added together with Bad Debt for £450 - **award 1 mark**.

- Layout mark

To gain the Layout mark, there must be:

- A correct account name for the IS with date (must have year). Name of firm not needed.
- Ignore if candidate writes James Dunn.
- A Gross Profit label
- A Profit for the Year label

SOFP extract title not required.

Accept old terminology (Net Profit and P&L), and layout (income before expenses).

Although other headings are not required, do not award if they are clearly wrong (ie Less Expenses is headed as Less Current Liabilities). Do not award if final figure in bottom half of SOFP is labelled wrongly (ie Closing Inventory).

- Nomenclature

If wrong or missing nomenclature on individual entries - lose award to max of 1. Ignore thereafter. Accept old nomenclature.

Question			Expected answer(s)			Max mark	Additional guidance
1.	(a)	(i)	<b>ON THE FLY INCOME STATEMENT FOR YEAR ENDED 30 APRIL YEAR 5</b>			<b>18</b>	Accept adjustments detached if directly below. If not directly below - do not award.  Wages: 20,000 = 1 mark 19,000 = 1 mark 1,000 = 1 mark  Electricity: 1,540 = 1 mark 1,630 = 1 mark 90 = 0 marks (90) = 1 mark
			£	£	£		
					73,250 (1)		
					<u>150 (1)</u>		
					73,100		
				4,600 (1)			
			24,650 (1)				
			<u>175 (1)</u>				
			24,825				
			<u>900 (1)</u>	<u>23,925</u>			
				28,525			
				<u>5,000 (1)</u>	<u>23,525</u>		
					49,575		
				21,000 (2)			
				350 (1)			
				1,450 (2)			
				150 (1)			
				1,500 (1)			
				200 (1)			
				300 (1)			
					<u>24,950</u>		
					24,625		
					1,200 (1)		
					250 (1)		
					<u>26,075</u>		

Question		Expected answer(s)	Max mark	Additional guidance										
	(ii)	<p>STATEMENT OF FINANCIAL POSITION EXTRACT</p> <p>EQUITY:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Equity at start</td> <td style="text-align: right;">65,000 (1)</td> </tr> <tr> <td>ADD: Profit for the Year</td> <td style="text-align: right;"><u>26,075 (1)</u></td> </tr> <tr> <td></td> <td style="text-align: right;">91,075</td> </tr> <tr> <td>LESS Drawings</td> <td style="text-align: right;"><u>1,500 (1)</u></td> </tr> <tr> <td>Equity at end</td> <td style="text-align: right;">89,575</td> </tr> </table> <p>IN ADDITION:</p> <p>Layout (1)</p> <p>No extraneous items in Income Statement and Statement for Financial Review (2)</p> <p>(watch for +/-) (2)</p> <p>All arithmetic correct (1)</p>	Equity at start	65,000 (1)	ADD: Profit for the Year	<u>26,075 (1)</u>		91,075	LESS Drawings	<u>1,500 (1)</u>	Equity at end	89,575	<b>7</b>	Profit for the Year is consequential on part (a).
Equity at start	65,000 (1)													
ADD: Profit for the Year	<u>26,075 (1)</u>													
	91,075													
LESS Drawings	<u>1,500 (1)</u>													
Equity at end	89,575													
	(b)	<p>Debit balance when there is money in the bank (1)/money available for business (1)</p> <p>Debit balance when the bank is an asset (1) or</p> <p>Debit balance when the bank owes you (1)</p> <p>Credit balance when money is owed to the bank (1) or</p> <p>Credit balance when bank is an overdraft (1) or</p> <p>When the bank is a liability (1)</p> <p><b>Note:</b> If candidate writes “either money in the bank or money owed”, max 1 as no indication of which is which.</p>	<b>2</b>	<p>Any one reason for each - 1 mark each.</p> <p>Must have one for DR balance and one for CR balance.</p> <p>Don't need the word “current” when writing about assets &amp; liabilities.</p>										
	(c) (i)	SOURCE = Mortgage (1)	<b>1</b>	Accept only mortgage.										

Question		Expected answer(s)	Max mark	Additional guidance
	(ii)	<p>ADVANTAGE = Payments spread over long period/pay in instalments (1) Usually lower interest rates</p> <p>DNA “easy to get” or “money received quickly.” DNA “large sum of money.”</p> <p>DISADVANTAGE = Interest has to be paid/pay back more than borrowed (1) Premises could be repossessed if unable to pay (1) Payments could rise in future (1)</p> <p>DNA “must be repaid” - must have some indication of paying back more. DNA “difficult to obtain.”</p> <p>If candidate has put loan, DNA “easy to get” or “money received quickly” as advantages.</p>	2	<p>Award 1 mark for advantage and 1 mark for disadvantage.</p> <p>If a different source given for part (i) accept consequential answers, providing it is a source of finance (any long or short term source of finance would be acceptable for consequential marks).</p>

Question		Expected answer(s)						Max mark	Additional guidance																																																																																																																
2.	(a)	<p><b>CASH BUDGET</b></p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: right;">June</th> <th style="width: 5%;"></th> <th style="width: 10%; text-align: right;">July</th> <th style="width: 5%;"></th> <th style="width: 10%; text-align: right;">August</th> <th style="width: 5%;"></th> </tr> </thead> <tbody> <tr> <td>Opening balance</td> <td style="text-align: right;">5,000</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">34,000</td> <td></td> <td style="text-align: right;">81,400</td> <td></td> </tr> <tr> <td colspan="7"><b>RECEIPTS</b></td> </tr> <tr> <td>Cash sales</td> <td style="text-align: right;">98,000</td> <td style="text-align: right;">(2)</td> <td style="text-align: right;">112,000</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">106,400</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Credit sales</td> <td style="text-align: right;">153,600</td> <td style="text-align: right;">(3)</td> <td style="text-align: right;">168,000</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">192,000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Grant</td> <td></td> <td></td> <td style="text-align: right;">10,000</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">251,600</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">290,000</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">298,400</td> <td></td> </tr> <tr> <td colspan="7"><b>PAYMENTS</b></td> </tr> <tr> <td>Labour</td> <td style="text-align: right;">118,400</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">131,200</td> <td style="text-align: center;">↔</td> <td style="text-align: right;">123,200</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Bonus</td> <td style="text-align: right;">1,600</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">3,200</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">9,600</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Materials</td> <td style="text-align: right;">64,800</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">66,600</td> <td style="text-align: center;">↔</td> <td style="text-align: right;">73,800</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Variable Overheads</td> <td style="text-align: right;">29,600</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">32,800</td> <td style="text-align: center;">↔</td> <td style="text-align: right;">30,800</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Fixed costs</td> <td style="text-align: right;">7,000</td> <td></td> <td style="text-align: right;">7,000</td> <td></td> <td style="text-align: right;">7,000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Leasing of equipment</td> <td style="text-align: right;">1,200</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">1,800</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">1,800</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right; 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Aug can be consequential. If wrong and working not shown - award <b>no marks</b> unless figures are as on following sheet.</p> <p>Lab, Mat, Var OH - 2<sup>nd</sup> mark consequential.</p> <p>For Bonus, if correct figures but put in wrong month - <b>max 2</b> (Aug would be 5,600). If figures wrong in terms of calculation, do not award each time.</p> <p>Accept Labour &amp; Bonus added together.</p> <p>If Leasing appears in Receipts, <b>max 1</b> for line (providing increase is correct).</p> <p>If sales units used to work out production payments (and vice-versa), 0 each time.</p> <p>If Payments in Receipts (and vice-versa), <b>no award</b> each time (apart from Leasing).</p> <p>Correct August closing balance must be consequentially correct.</p> <p>For heading/layout mark:</p> <ul style="list-style-type: none"> <li>• Just need words "Cash Budget"</li> <li>• Must have headings that indicate "money in" and "money out"</li> <li>• Must have Op &amp; Cl Balance labels</li> </ul> <p>Subtotals are not necessary.</p> <p>If done as a list with no indication of receipts and payments, do not award for Heading, Closing Balance, Grant and Fixed Costs (4 marks in total).</p>
	June		July		August																																																																																																																				
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**Correct Answer**

Cash sales			Credit sales		
June	Jul	Aug	June	Jul	Aug
98,000	112,000	106,400	153,600	168,000	192,000
2	1	1	3	1	1

If 2 out of 3 answers correct, mark as per solution and ignore alternatives below:

**Alternative cash & credit sales - TO BE USED WHEN THERE IS WRONG ANSWER AND NO WORKING SHOWN**

Cash sales			Credit sales		
June	Jul	Aug	June	Jul	Aug
280,000	320,000	304,000	280,000	320,000	304,000
0	1	1	1	1	1
245,000	280,000	266,000	256,000	280,000	320,000
1	1	1	2	1	1
168,000	192,000	182,400	245,000	280,000	266,000
0	1	1	0	1	1
147,000	168,000	159,600	224,000	245,000	280,000
1	1	1	1	1	1
112,000	128,000	121,600	168,000	192,000	182,400
1	1	1	2	1	1
89,600	98,000	112,000	147,000	168,000	159,600
1	1	1	1	1	1
			134,400	147,000	168,000
			2	1	1
			112,000	128,000	121,600
			1	1	1
			102,400	112,000	128,000
			2	1	1
			98,000	112,000	106,400
			0	1	1
			89,600	98,000	112,000
			1	1	1

All 3 entries have to be as indicated to gain the consequential awards (all or nothing).

Cash and Credit sales can be combined for 9 marks as follows:

June	July	August
251,600	280,000	298,400



Question		Expected answer(s)	Max mark	Additional guidance
	(b)	<ul style="list-style-type: none"> <li>• Aids in future planning/forecasting</li> <li>• Indicates whether overdraft/other source of finance is required</li> <li>• Can see if funds will be available to purchase assets/expand etc</li> <li>• Can highlight areas where cost reductions/cutbacks are necessary</li> <li>• Can compare actual figures with budgeted figures</li> </ul> <p>DNA shows cash inflows and outflows or shows opening and closing balances unless candidate describes benefit.  DNA any references to profit/losses or money made/lost.  DNA any reference to past - must be future.</p>	2	1 mark for each correct description.
	(c)	<ul style="list-style-type: none"> <li>• Preparing Job Cost Statements</li> <li>• Calculating Break-even</li> <li>• Assist in/provide info for Decision Making (Decision Making on its own - 0 marks)</li> <li>• Inventory Valuation</li> <li>• Calculating Overhead costs/preparing OH Analysis</li> <li>• Calculating Labour costs</li> </ul> <p>If candidate only says “calculating costs” - <b>no award</b>.  if candidate says “calculating costs” and then goes on to highlight a specific management cost - award <b>1 mark</b>.</p> <p>DNA any reference to budgeting as in question.  DNA any reference to accountant actually making the right/final decision - only accept if they say helps to.</p>	2	1 mark for each correct role.  Accept any other management role/duty. Use Professional Judgement.  Both roles need to be in different areas, eg calculating break-even and calculating margin of safety would only gain <b>1 mark</b> .

Question		Expected answer(s)					Max mark	Additional guidance																																								
3.	(a)	<b>OVERHEAD ANALYSIS SHEET - SCOTTY MCNISH</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Overhead</th> <th>Basis</th> <th>Total</th> <th>Moulding</th> <th>Decorating</th> <th>Packing</th> <th>Office</th> <th></th> </tr> </thead> <tbody> <tr> <td>Heat and Light</td> <td>Floor Area (sq m)</td> <td>20,000</td> <td>5,000 (1)</td> <td>3,500</td> <td>10,000</td> <td>1,500</td> <td>(1)</td> </tr> <tr> <td>Staff Admin</td> <td>No of Employees</td> <td>9,000</td> <td>2,160 (1)</td> <td>3,600</td> <td>1,440</td> <td>1,800</td> <td>(1)</td> </tr> <tr> <td>Machinery Insurance</td> <td>Value of Mach (£)</td> <td>5,000</td> <td>1,500 (1)</td> <td>500</td> <td>3,000</td> <td>-</td> <td>(1)</td> </tr> <tr> <td><b>TOTAL</b></td> <td></td> <td><b>34,000</b></td> <td><b>8,660</b></td> <td><b>7,600</b></td> <td><b>14,440</b></td> <td><b>3,300</b></td> <td><b>(1 for line)</b></td> </tr> </tbody> </table>					Overhead	Basis	Total	Moulding	Decorating	Packing	Office		Heat and Light	Floor Area (sq m)	20,000	5,000 (1)	3,500	10,000	1,500	(1)	Staff Admin	No of Employees	9,000	2,160 (1)	3,600	1,440	1,800	(1)	Machinery Insurance	Value of Mach (£)	5,000	1,500 (1)	500	3,000	-	(1)	<b>TOTAL</b>		<b>34,000</b>	<b>8,660</b>	<b>7,600</b>	<b>14,440</b>	<b>3,300</b>	<b>(1 for line)</b>	7	No award given for entries in basis or total columns.  <b>1 mark</b> for moulding, <b>1 mark</b> for others. If wrong basis is applied or wrong figure used, second mark is consequential.
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## Specific marking instructions - Question 4

### General principles

- It is **STRONGLY ADVISED** markers approach the question by marking transactions sequentially in date order (ie mark the 3 entries for 6 Mar first, then mark the entries for 18 Mar 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:

- 6 Mar - Start with entry in Purchases Acc (or Sales Acc if candidate has wrong treatment). Look at VAT next. It should follow the Dr or Cr entry of the first figure.
- 18 Mar - Start with entry in Fixtures Acc (or other if candidate has wrong treatment). Look at VAT next. It should follow the Dr or Cr entry of the first figure.
- 30 Mar - Start with entries in Active Health Studios acc.

### Nomenclature

- Nomenclature is consequential on the transaction. Nomenclature is also consequential on the account names used by the candidate (eg if candidate opens up a Discount Account instead of Bad Debts, “Discount” in the nomenclature would be consequential).
- If only one side of the double entry entered, cannot penalise nomenclature.

### Extra entries

- If there are any extra entries as part of a transaction, apply the +/- rule. Taking the transaction on 18 March as an example, if a candidate enters £67·20 Dr in the Fixtures Acc and also enters £67·20 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 big tick & 0 beside correct entry and a cross at wrong entry.
- Candidates may enter Goods Value and Discount from Invoice. Accept providing treatments are correct and ignore Discount Account.

### Yoga Supplies Account (principles also apply to Furniture World Account)

- The purchases and VAT entry on 6 March may be split into 2 separate entries - accept.
- Also accept a wrong purchases figure and VAT, providing it is consequentially correct (may see entry of £1,338·75 if candidate has used £1,125 as purchases figure).

### Smith Sports account

- **0 marks** for entries in this account. Remainder of transaction is consequential (including nomenclature).

## Active Health Studios account

- If the entries on 30 March are combined for one entry of £3,250, the nomenclature **MUST** say Bank and Bad debts for **2 marks**.
- If there is only one entry on 30 March of £3,250 with the nomenclature “Bank” or “Bad Debts” and the candidates have applied the bad debt in the ledgers correctly (£1,950 in the Bank Acc and £1,300 in the Bad Debts Acc), then award **1 mark** for the entry in Active Health Studios Acc.
- If there is only one entry on 30 March of £3,250 with the nomenclature “Bad Debt” and no indication of any monies paid to the Bank Acc - **0 marks** in Active Health Studios Account and **1 consequential mark** for £3,250 Dr entry in Bad Debts Acc.
- If there is only one entry on 30 March of £3,250 with the nomenclature “Bank” and no indication of the bad debt anywhere in the accounts - **0 marks** in Active Health Studios and **1 consequential mark** for £3,250 Dr entry in Bank Acc.

## Question 1 alternative solution

### 6 Mar

Dr

Purchases Acc

Yoga Supplies - £1,068.75

Cr

Yoga Supplies Acc

Purch & VAT - £1,282.50

VAT Acc

Yoga Supplies - £213.75

### 18 Mar

Dr

Fixtures

Furniture World - £67.20

Cr

Furniture World

Fixtures & VAT - £80.64

VAT Acc

Furniture World - £13.44

### 30 Mar

Dr

Bank Acc

Active Health Studios - £1,950

Cr

Active Health Studios

Bank - £1,950

Bad Debt Acc

Active Health Studios - £1,300

Active Health Studios

Bad Debts - £1,300

## Question 1 - Examples of candidate responses

For entry on 6 March (although same principles will apply to entry on 18 March)

### Scenario 1 – Reversal of ALL entries

Dr	Cr
<u>Yoga Supplies Acc</u> Purch & VAT - £1,282.50 (1) CE	<u>Purchases Acc</u> Yoga Supplies - £1,068.75 (X)
	<u>VAT Acc</u> Yoga Supplies - £213.75 (1) CE

2 marks

### Scenario 2 – All entries on Debit side

Dr	Cr
<u>Purchases Acc</u> Yoga Supplies - £1,068.75 (1)	
<u>VAT Acc</u> Yoga Supplies - £213.75 (1)	
<u>Yoga Supplies Acc</u> Purch & VAT - £1,282.50 (X)	

2 marks

### Scenario 3 – All entries on Credit side

Dr	Cr
	<u>Purchases Acc</u> Yoga Supplies - £1,068.75 (X)
	<u>VAT Acc</u> Yoga Supplies - £213.75 (1)
	<u>Yoga Supplies Acc</u> Purch & VAT - £1,282.50 (X)

1 mark

### Scenario 4

Dr	Cr
	<u>Purchases Acc</u> Yoga Supplies - £1,068.75 (X)
<u>VAT Acc</u> Yoga Supplies - £213.75 (X)	<u>Yoga Supplies Acc</u> Purch & VAT - £1,282.50 (X)

0 marks

### Scenario 5

Dr	Cr
<u>Purchases Acc</u> Yoga Supplies - £1,068.75 (1)	
<u>Yoga Supplies Acc</u> Purch & VAT - £1,282.50 (X)	<u>VAT Acc</u> Yoga Supplies - £213.75 (X)

1 mark

### Scenario 6

<b>Dr</b>	<b>Cr</b>
<u>Purchases Acc</u>	<u>VAT Acc</u>
Yoga Supplies - £1,068.75 (1)	Yoga Supplies - £213.75 (X)
	<u>Yoga Supplies Acc</u>
	Purch & VAT - £1,282.50 (1)

2 marks

### Scenario 7

<b>Dr</b>	<b>Cr</b>
<u>VAT Acc</u>	<u>Purchases Acc</u>
Yoga Supplies - £213.75 (X)	Yoga Supplies - £1,068.75 (X)
<u>Yoga Supplies Acc</u>	
Purch & VAT - £1,282.50 (1)	

1 mark

### Scenario 8 - Treated as Sales not Purchases

<b>Dr</b>	<b>Cr</b>
<u>Yoga Supplies Acc</u>	<u>Sales Acc</u>
Sales & VAT - £1,282.50 (1) CE	Yoga Supplies - £1,068.75 (X)
	<u>VAT Acc</u>
	Yoga Supplies - £213.75 (1) CE

2 marks

if candidates were to open Sales Acc but put entry as Dr, only the VAT can be awarded a mark consequentially. (max 1)

### Scenario 9 – Full amount to Purchases Acc

<b>Dr</b>	<b>Cr</b>
<u>Purchases Acc</u>	<u>Yoga Supplies Acc</u>
Yoga Supplies - £1,282.50 (X)	Purch & VAT - £1,068.75 (X)
<u>VAT Acc</u>	
Yoga Supplies - £213.75 (1)	

1 mark

In this scenario, the only award given is for VAT. If the full amount goes to the Purchases Acc but put on Credit side, VAT can still gain award if it too is put on Credit side.

Question	Expected answer(s)	Max mark	Additional guidance																																								
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	(b)	<p>(Error of) Omission (1)</p> <p>(Error of) Commission (1)</p> <p>(Error of) Principle (1)</p> <p>(Error of) Original entry (1)</p> <p>Compensating (error) (1)</p> <p>Complete reversal (of entries) (1)</p> <p><b>(Any 2 from 6)</b></p>	2	<p><b>1 mark</b> for each error clearly named.</p> <p>DNA any description without the name.</p>														

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6.	<p>QUOTE FOR JOB 689</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;">£</th> <th style="width: 20%; text-align: right;">£</th> </tr> </thead> <tbody> <tr> <td><b>Direct Materials</b></td> <td></td> <td></td> </tr> <tr> <td>Bricks (50,000 @ £10 per 1,000)*</td> <td style="text-align: right;">500 (2)</td> <td></td> </tr> <tr> <td>Mortar (£1 per 1,000 bricks)</td> <td style="text-align: right;">50 (1)</td> <td></td> </tr> <tr> <td>Garage Door &amp; Windows</td> <td style="text-align: right;"><u>720 (1)</u></td> <td style="text-align: right;">1,270</td> </tr> <tr> <td><b>Direct Labour</b></td> <td></td> <td></td> </tr> <tr> <td>Normal time (250 hours @ £10)</td> <td style="text-align: right;">2,500 (1)</td> <td></td> </tr> <tr> <td>Overtime (50 hours @ £20)</td> <td style="text-align: right;"><u>1,000 (1)</u></td> <td style="text-align: right;">3,500</td> </tr> <tr> <td><b>Overheads (300 hours @ £2)</b></td> <td></td> <td style="text-align: right;"><u>600 (1)</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">5,370</td> </tr> <tr> <td>ADD Mark-up (50% of £5,370)</td> <td></td> <td style="text-align: right;"><u>2,685 (1)</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">8,055</td> </tr> <tr> <td>ADD VAT (20% of £8,055)</td> <td></td> <td style="text-align: right;"><u>1,611 (1)</u></td> </tr> <tr> <td><b>SELLING PRICE</b></td> <td></td> <td style="text-align: right;"><u><b>9,666 (1)</b></u></td> </tr> </tbody> </table> <p style="text-align: center; margin-top: 20px;">(1)      (1)</p> <p>* 50,000/1,000 = 50 x 10 = 500</p>		£	£	<b>Direct Materials</b>			Bricks (50,000 @ £10 per 1,000)*	500 (2)		Mortar (£1 per 1,000 bricks)	50 (1)		Garage Door & Windows	<u>720 (1)</u>	1,270	<b>Direct Labour</b>			Normal time (250 hours @ £10)	2,500 (1)		Overtime (50 hours @ £20)	<u>1,000 (1)</u>	3,500	<b>Overheads (300 hours @ £2)</b>		<u>600 (1)</u>			5,370	ADD Mark-up (50% of £5,370)		<u>2,685 (1)</u>			8,055	ADD VAT (20% of £8,055)		<u>1,611 (1)</u>	<b>SELLING PRICE</b>		<u><b>9,666 (1)</b></u>	10	<p>Selling Price mark is awarded for all arithmetic being correct and a final label for Selling Price/Quote.</p> <p>Heading not required.</p> <p>Does not have to be done as statement.</p> <p>Subtotals not required.</p> <p>If Overheads are 350 x 10 = £3,500, accept for 2 marks.</p> <p>If there are no Mark-up or VAT figures but correct treatment can be ascertained through subtotals, award marks.</p> <p>If VAT and Mark-up wrong way round and there is a subtotal between them - <b>max 1</b> for both VAT and Mark-up entries.</p> <p>If VAT and Mark-up wrong way round and no subtotal do not award both VAT and Mark-up marks, but award consequentially correct final Selling Price (if labelled correctly).</p>
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[END OF MARKING INSTRUCTIONS]