



National
Qualifications
2018

2018 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.

Detailed marking instructions for each question

Question	Expected answer(s)	Max mark	Additional guidance
Question 1 PART A - General Guidance			
Watch consequentiality throughout question.			
Ignore labels if missing. If label wrong (ie break-even units has £ sign), do not award 1 mark ONCE ONLY throughout PART A of the question. (Applies to final answer only - not workings)			
Questions 1 (a) (i)-(v) are all or nothing awards. If the wrong formula has been used then the answer is WRONG . The only exception would be if the correct formula and correct figures were used and an arithmetic error occurred. In this case award 1 mark .			
If candidate has correct answer and then further adjusts calculation to leave a wrong answer - 0 marks in (a) (i)-(v), Use Professional Judgement in (b)-(e).			
If candidate has multiple answers as they have calculations at each level, and all are different - 0 marks			
1.	PART A		
	(a) (i)	$£40,000 \div 2,000 = £20$	2 All or nothing. Accept at any level of output. Award 1 mark if arithmetic error.
	(ii)	$£16,000 \div 2,000 = £8$	2 All or nothing. Accept at any level of output. Award 1 mark if arithmetic error.
	(iii)	$£20 - £8 = £12$	2 All or nothing. Award 1 mark if arithmetic error (watch for consequentiality).
	(iv)	$£70,000 - £16,000 = £54,000$	2 All or nothing. Accept at any level of output. Award 1 mark if arithmetic error.
	(v)	$£54,000 \div £12 = 4,500$ units	2 All or nothing. Award 1 mark if arithmetic error (watch for consequentiality). The FC can be consequential on (iv) or the correct figure.

Question		Expected answer(s)	Max mark	Additional guidance
	(b)	$8,000 - 4,500 = 3,500$ units (2) $3,500 \times \text{£}20 = \text{£}70,000$ (1)	3	First 2 marks - all or nothing. Award 1 mark if arithmetic error. Accept 3,500 units on its own for 2 marks.
	(c)	$10,000 - 4,500 = 5,500$ units (1) $5,500 \times \text{£}12 = \text{£}66,000$ (1) (1) OR $10,000 \times \text{£}12 = \text{£}120,000$ (1) $\text{£}120,000 - \text{£}54,000 = \text{£}66,000$ (1) (1)	3	To gain first mark - candidate must use 10,000 units and the break-even point correctly. Accept 5,500 units on its own for 2 marks. Max 2 marks if an answer is incorrect based on correct/consequential figures used. Candidates may use a different method to get the correct answer. Eg they may do Total Revenue - Total Cost at 10,000 units (200,000 - 134,000). UPJ to allocate marks. Assume profit, therefore candidates do not need to use the word profit in their answer. However, if they consequentially calculate a loss, there must be some indication of a loss to gain the final mark.

Question		Expected answer(s)	Max mark	Additional guidance
	(d)	$(£90,000 + £54,000) \div £12 = 12,000 \text{ units}$ (2) (1) OR $£90,000 \div £12 = 7,500$ (1) $7,500 + 4,500 = 12,000 \text{ Units}$ (1) (1)	3	Max 2 marks if answer incorrect based on figures used. £90,000 + £54,000 is 2 marks all or nothing. Candidates may use a different method to get the correct answer, UPJ to allocate marks.
	(e)	New FC = $£54,000 \times 5\% = £2,700$ (1) $£54,000 + £2,700 = £56,700$ (1) New selling price = £24 (1) New variable cost = £10 (1) New BEP = $£56,700 \div £14 = 4,050 \text{ units}$ (1) Change in BEP = $4,500 - 4,050 = 450 \text{ units}$ (1)	6	Watch for consequentiality. Accept £56,700 on its own for 2 marks . No need to indicate increase/decrease. Candidates may use a different method to get the correct answer, UPJ to allocate marks.

Question		Expected answer(s)	Max mark	Additional guidance				
1.	PART B							
	(a)	<table border="1"> <tr> <td>Production A</td> <td>Production B</td> </tr> <tr> <td>50,000 (2)</td> <td>30,000 (1)</td> </tr> </table>	Production A	Production B	50,000 (2)	30,000 (1)	3	<p>Production Department B answer is consequential.</p> <p>If split is 10/20 and 6/20 (£40,000 and £24,000) - 0 marks / 1 mark c.e.</p>
Production A	Production B							
50,000 (2)	30,000 (1)							
	(b)	$36,000 \times 16 \div 6 = \text{£}96,000$ (2)	2	<p>2 marks all or nothing Award 1 mark if arithmetic error. Answer may be consequential (£120,000) if candidate used 20 employees in (a).</p>				
	(c) (i)	<ul style="list-style-type: none"> Allocation - where a cost can be directly identified to a particular cost centre, the whole amount of the cost is charged to that cost centre Apportionment - where a cost cannot be directly identified with a particular cost centre, the cost/overhead will be divided between each cost centre 	2	<p>One mark for each correct description.</p> <p>DNA: Description of re-apportionment (of service dept).</p>				
	(ii)	<ul style="list-style-type: none"> (Floor) Area <u>Value/Cost</u> of assets (must have underlined part) Machine hours used Labour hours used Power (kw hours) used Direct Materials 	3	<p>One mark for each correct basis of apportionment.</p> <p>Max 2 marks for different <u>type</u> of asset.</p> <p>DNA: No of Employees, Indirect Wages.</p> <p>If more than 3 answers, accept all correct answers.</p>				

Question		Expected answer(s)	Max mark	Additional guidance
2.	PART A			
<p>General Instruction</p> <p>Apply conventional rounding methods to award mark(s).</p> <p>Accept answers to 0 or 1 decimal place(s) providing rounding correct. If rounding incorrect, lose award each time. The exception to this is if candidates round down and then put in an extra 0 to give 2 decimal places. For example, for Return on Equity a candidate rounds down to 17.2 (which is acceptable) but then writes 17.20%. This instance would lose the award ONCE ONLY.</p> <p>Accept answers with more than 2 decimal places.</p> <p>If days involved and answer incorrect, if answer below .5 then accept rounding up or down for whole days and if above .5 then only accept rounding up. Eg for an incorrect answer of 10.22 days, accept 10 days or 11 days. If wrong answer was 10.75 days then accept 11 days only.</p> <p>Correct and no working, award full marks. Incorrect and no working, do not award.</p>				
	(a)	GP% $56,000/250,000 \times 100 = 22.4\%$	1	
		PFY% $31,000/250,000 \times 100 = 12.4\%$	1	
		Current Ratio $47,000/20,000 = 2.35:1$	1	DNA answers :2
		Return on Equity Employed $31,000/180,000 \times 100 = 17.22\%$	1	
		Trade Receivables Collection Period in days $7,000 / (250,000 \times 75\%) \times 365 = 13.63 \text{ days (1)}$	2	Award 1 mark for 10.22 days.
		Rate of Inventory Turnover $\text{COS} = 250,000 - 56,000 = \frac{194,000}{24,250} = 8 \text{ times (1)}$	3	Final mark may be consequential, if there is a reasonable attempt at calculation of one of the constituent parts. UPJ
		Expenses Ratio $(56,000 - 31,000) \div 250,000 \times 100 = 10\% (1)$	2	Expenses calc is consequential. Accept GP Ratio - NP Ratio.
		One mark for ALL correct labelling of ratios ie ':1', '%' etc.	1	Applies to wrong answers also.

Question		Expected answer(s)	Max mark	Additional guidance																
	(b) (i)	$\begin{array}{r} \text{Purchases} = \text{Cost of Sales} + \text{Closing Inventory} - \text{Opening Inventory} \\ = 194,000 + 26,000 - 22,500 = 197,500 \end{array}$ <p>(Inventory adjustments must be correct effect for mark)</p>	3	<p>COS <u>can be</u> consequential on (a), or candidate may calculate correct COS. Do not penalise if COS different from (a).</p> <p>Award 2 marks max if arithmetic error.</p> <p>Accept the following:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>2 marks</td> <td>1 mark</td> </tr> <tr> <td>242,500</td> <td>216,500</td> </tr> <tr> <td>220,000</td> <td>194,000</td> </tr> <tr> <td>171,500</td> <td>190,500</td> </tr> <tr> <td>145,500</td> <td>168,000</td> </tr> <tr> <td>3,500</td> <td>48,500</td> </tr> <tr> <td></td> <td>26,000</td> </tr> <tr> <td></td> <td>22,500</td> </tr> </table> <p>Any other figure <u>without working</u>, 0 marks.</p>	2 marks	1 mark	242,500	216,500	220,000	194,000	171,500	190,500	145,500	168,000	3,500	48,500		26,000		22,500
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3,500	48,500																			
	26,000																			
	22,500																			
	(ii)	<p>Trade Payables Payment Period in days $15,000 / 197,500 \times 365 = 27.72$ days (1)</p>	1	<p>Answer is consequential on figure calculated in (b)(i).</p> <p>If denominator not figure calculated in (b)(i), 0 marks.</p> <p>Accept answer without 'days'.</p>																

Question	Expected answer(s)	Max mark	Additional guidance
(c)	<p>Profit for the Year % L Berrillo has a higher GP (1) L Berrillo has a cheaper supplier (1) L Berrillo charging a higher selling price per unit (1) L Berrillo has less/lower expenses (1)</p> <p>Current Ratio L Berrillo may have cash flow problems (1) L Berrillo's <u>current</u> assets lower (1)/<u>current</u> liabilities higher (1) (Need Current)</p> <p>Return on Equity Employed L Berrillo has a higher return as he has a higher profit for the year (1) L Berrillo has a higher return as he has lower expenses (1) L Berrillo has a lower amount of equity invested (1)</p> <p>Trade Receivables Collection Period L Berrillo may not offer a cash discount (1) L Berrillo has worse credit control (1) L Berrillo wants to keep goodwill of customers by giving longer credit terms (1)</p> <p>Rate Of Inventory Turnover L Berrillo had an advertising campaign/more promotions (1) L Berrillo keeps less inventory (1)/Has better inventory control (1) L Berrillo has lower selling price (1)/Offers <u>customers</u> trade discount (must have) L Berrillo has higher COS figure (1)</p>	5	<p>Accept from either point of view.</p> <p>Maximum 1 mark for each ratio.</p> <p>For PFY% - Don't accept 'more sales'.</p> <p>For Return on Equity - Don't accept 'Higher GP' or any reference to cheaper suppliers.</p> <p>If candidate starts off answer by confusing who has higher/lower ratio then no award each time.</p>
(d)	<p><u>Advantages</u> Wider range of customers (1) Increased sales (1) Increased customer loyalty (1) Larger orders more likely (1)</p> <p><u>Disadvantages</u> Customer takes a long time to pay/Business has to wait for payment (1) Possibility of bad debts (1) Liquidity/cash flow problems (1) Cost of credit checks (1) Increased paperwork/admin (1) (DNA 'extra work' on its own)</p>	2	<p>Maximum 1 mark for advantage, 1 for disadvantage.</p> <p>If candidate says 'takes long time to pay', it must be clear it is the customer that is being referred to.</p>

Question	Expected answer(s)	Max mark	Additional guidance																																				
<p>2. PART B</p> <p>(a)</p>	<p>Labour cost calculation:</p> <p>Basic hours:</p> <p>Baking - 20 hours x £6 = £120 (1) (1)</p> <p>Decorating - 20 hours x £10 = £200 (1) (1)</p> <p>Overtime:</p> <p>Baking - (23-20) x £8 = £24 (1) (1) (1)</p> <p>Decorating - (37-20) x £15 = £255 (1) (1) (1)</p> <p>TOTAL WAGE = £120 + £200 + £24 + £255 = £599 (1)</p> <p>ALTERNATIVE</p> <table border="1" data-bbox="367 903 1169 1222"> <tbody> <tr> <td>12/12</td> <td>Baking Dept</td> <td>7 x 6 = £42</td> <td>(1)</td> </tr> <tr> <td></td> <td>Decorating Dept</td> <td>13 x 10 = £130</td> <td>(1)</td> </tr> <tr> <td>14/12</td> <td>Baking Dept</td> <td>10 x 6 = £60</td> <td>(1)</td> </tr> <tr> <td></td> <td>Decorating Dept</td> <td>7 x 10 = £70</td> <td>(1)</td> </tr> <tr> <td></td> <td>Decorating Dept</td> <td>9 (1) x 15 (1) = £135</td> <td></td> </tr> <tr> <td>16/12</td> <td>Baking Dept</td> <td>3 x 6 = £18</td> <td>(1)</td> </tr> <tr> <td></td> <td>Baking Dept</td> <td>3 (1) x 8 (1) = £24</td> <td></td> </tr> <tr> <td></td> <td>Decorating Dept</td> <td>8 x 15 = £120</td> <td>(1)</td> </tr> <tr> <td></td> <td>TOTAL</td> <td>£599</td> <td>(1)</td> </tr> </tbody> </table>	12/12	Baking Dept	7 x 6 = £42	(1)		Decorating Dept	13 x 10 = £130	(1)	14/12	Baking Dept	10 x 6 = £60	(1)		Decorating Dept	7 x 10 = £70	(1)		Decorating Dept	9 (1) x 15 (1) = £135		16/12	Baking Dept	3 x 6 = £18	(1)		Baking Dept	3 (1) x 8 (1) = £24			Decorating Dept	8 x 15 = £120	(1)		TOTAL	£599	(1)	11	If you see an answer of £598.94 or £598.40, award 10 marks.
12/12	Baking Dept	7 x 6 = £42	(1)																																				
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(b)	<p>An annual salary. Fixed payment/amount each month. Payment made regardless of hours worked/items made.</p>	1																																					

Question	Expected answer(s)	Mark	Additional guidance																																																																																																																																							
3.	<p>STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER YEAR 4</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: right;">£</th> <th style="width: 10%; text-align: right;">£</th> <th style="width: 10%; text-align: right;">£</th> <th style="width: 10%;"></th> </tr> <tr> <td></td> <td style="text-align: right;">COST</td> <td style="text-align: right;">DEP</td> <td></td> <td style="text-align: right;">NBV</td> </tr> </thead> <tbody> <tr> <td>NON-CURRENT ASSETS</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Property</td> <td></td> <td></td> <td></td> <td style="text-align: right;">40,000</td> </tr> <tr> <td>Furniture & Fittings</td> <td style="text-align: right;">20,000</td> <td style="text-align: right;">10,000</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">50,000</td> </tr> <tr> <td colspan="5">CURRENT ASSETS</td> </tr> <tr> <td>Inventory</td> <td style="text-align: right;">22,000</td> <td></td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Trade Receivables (3,500-500)</td> <td style="text-align: right;">3,000</td> <td></td> <td></td> <td style="text-align: right;">(2)</td> </tr> <tr> <td>Other Receivables</td> <td style="text-align: right;">300</td> <td style="text-align: right;">25,300</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td colspan="5">LESS CURRENT LIABILITIES</td> </tr> <tr> <td>Trade Payables</td> <td style="text-align: right;">2,300</td> <td></td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Overdraft</td> <td style="text-align: right;">1,000</td> <td></td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Other Payables</td> <td style="text-align: right;">100</td> <td style="text-align: right;">3,400</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td colspan="5">WORKING EQUITY</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">21,900</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">71,900</td> </tr> <tr> <td colspan="5">EQUITY</td> </tr> <tr> <td>Opening Equity</td> <td style="text-align: right;">70,000</td> <td></td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>ADD Profit for the Year</td> <td style="text-align: right;">9,900</td> <td style="text-align: right;">79,900</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>LESS Drawings</td> <td></td> <td style="text-align: right;">8,000</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">71,900</td> </tr> <tr> <td colspan="5">IN ADDITION:</td> </tr> <tr> <td colspan="4">Layout & Headings - Candidates need the following:</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td colspan="5"> <ul style="list-style-type: none"> • Main Heading (Jenna’s Jewels not required). Accept ‘on’ 31 Dec Yr4 • Non-Current Assets • Current Assets • Current Liabilities • A heading for the equity section (can be Financed/Represented By:) • No need for Working Equity label but if attached to wrong figure, no award </td> </tr> <tr> <td colspan="4">No extraneous items</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td colspan="4">All arithmetic correct</td> <td style="text-align: right;">(1)</td> </tr> </tbody> </table>		£	£	£			COST	DEP		NBV	NON-CURRENT ASSETS					Property				40,000	Furniture & Fittings	20,000	10,000	(1)	10,000					50,000	CURRENT ASSETS					Inventory	22,000			(1)	Trade Receivables (3,500-500)	3,000			(2)	Other Receivables	300	25,300		(1)	LESS CURRENT LIABILITIES					Trade Payables	2,300			(1)	Overdraft	1,000			(1)	Other Payables	100	3,400		(1)	WORKING EQUITY									21,900					71,900	EQUITY					Opening Equity	70,000			(1)	ADD Profit for the Year	9,900	79,900		(1)	LESS Drawings		8,000		(1)					71,900	IN ADDITION:					Layout & Headings - Candidates need the following:				(1)	<ul style="list-style-type: none"> • Main Heading (Jenna’s Jewels not required). 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If it is £1,700 or £2,300, mark as wrong (not extraneous).</p> <p>If Advertising Payable is £2,800 it is extraneous. If it is £2,700 or £2,900, mark as wrong (not extraneous).</p>
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Question		Expected answer(s)	Max mark	Additional guidance															
4.	(a)	Product X: $8,000 \times 4 = 32,000$ (1) Product Y: $8,000 \times 6 = 48,000$ (1) Total Hours $80,000$ (1)	3																
	(b)	Product X: $£40 \div 4 = £10$ (1) Product Y: $£54 \div 6 = £9$ (1)	2																
	(c)	$80,000 \times 15\% = 12,000$ increase in hours	1	Watch for consequentiality from (a). If candidate only has 92,000 hours - no award.															
	(d)	Product X - has higher contribution <u>per hour</u> (must have) (1) X takes <u>less time</u> to make so can <u>make more units</u> (1)	1	If no attempt to outline reason - no award. Need to have both underlined points for award.															
	(e)	$12,000/4 = 3,000$ units (1) (1)	2	Watch for consequentiality. If answer to (c) is 92,000 - accept using 92,000 or 12,000 For 12,000 to get the mark - it MUST be used in a calculation. The figure 12,000 on its own - 0 marks . If candidate multiplies to get 48,000 units, award 1 mark . Award 1 mark max if arithmetic error.															
	(f)	Total units of X: $8,000 + 3,000 = 11,000$ (1) <table border="1" data-bbox="362 1102 960 1281"> <tr> <td>Cont X</td> <td>$11,000 \times £40$</td> <td><u>£440,000</u> (1)</td> </tr> <tr> <td>Cont Y</td> <td>$8,000 \times £54$</td> <td><u>£432,000</u> (1)</td> </tr> <tr> <td>Total Cont</td> <td></td> <td><u>£872,000</u></td> </tr> <tr> <td>Fixed Costs</td> <td></td> <td><u>£380,000</u></td> </tr> <tr> <td>Profit</td> <td></td> <td><u>£492,000</u> (1)</td> </tr> </table>	Cont X	$11,000 \times £40$	<u>£440,000</u> (1)	Cont Y	$8,000 \times £54$	<u>£432,000</u> (1)	Total Cont		<u>£872,000</u>	Fixed Costs		<u>£380,000</u>	Profit		<u>£492,000</u> (1)	4	Watch for consequentiality. Correct answer and no working - award full marks. Can also use hours: Cont X: $44,000 \times £10 = £440,000$ Cont Y: $48,000 \times £9 = £432,000$
Cont X	$11,000 \times £40$	<u>£440,000</u> (1)																	
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Question			Expected answer(s)	Max mark	Additional guidance
	(g)	(i)	Costs which <u>do not change</u> with <u>output/sales</u> .	1	Need both underlined parts for award. Ignore any reference to examples regardless of whether they are correct or incorrect.
		(ii)	Costs which are not directly linked to the production of a product/department/cost centre.	1	Ignore any reference to examples regardless of whether they are correct or incorrect.

Question	Expected answer(s)	Max mark	Additional guidance																																																																																								
5.	<table border="1"> <thead> <tr> <th colspan="4" data-bbox="383 284 1272 352">Ace Enterprises Trial Balance as at 31 December Year 3</th> </tr> <tr> <th data-bbox="383 357 842 384"></th> <th data-bbox="848 357 1066 384"></th> <th data-bbox="1072 357 1151 384">Dr</th> <th data-bbox="1158 357 1272 384">Cr</th> </tr> </thead> <tbody> <tr> <td data-bbox="383 389 842 416">Carriage In</td> <td data-bbox="848 389 1066 416">(1)</td> <td data-bbox="1072 389 1151 416">700</td> <td data-bbox="1158 389 1272 416"></td> </tr> <tr> <td data-bbox="383 421 842 448">Carriage Out</td> <td data-bbox="848 421 1066 448"></td> <td data-bbox="1072 421 1151 448">900</td> <td data-bbox="1158 421 1272 448"></td> </tr> <tr> <td data-bbox="383 453 842 480">Cash & Cash Equivalents</td> <td data-bbox="848 453 1066 480">(1)</td> <td data-bbox="1072 453 1151 480">14,200</td> <td data-bbox="1158 453 1272 480"></td> </tr> <tr> <td data-bbox="383 485 842 512">Discount Allowed</td> <td data-bbox="848 485 1066 512">(1)</td> <td data-bbox="1072 485 1151 512">1,100</td> <td data-bbox="1158 485 1272 512"></td> </tr> <tr> <td data-bbox="383 517 842 544">Drawings</td> <td data-bbox="848 517 1066 544">(1)</td> <td data-bbox="1072 517 1151 544">4,200</td> <td data-bbox="1158 517 1272 544"></td> </tr> <tr> <td data-bbox="383 549 842 576">Equity</td> <td data-bbox="848 549 1066 576">(1)</td> <td data-bbox="1072 549 1151 576"></td> <td data-bbox="1158 549 1272 576">100,000</td> </tr> <tr> <td data-bbox="383 580 842 608">General Expenses</td> <td data-bbox="848 580 1066 608">(1)</td> <td data-bbox="1072 580 1151 608">19,300</td> <td data-bbox="1158 580 1272 608"></td> </tr> <tr> <td data-bbox="383 612 842 639">Inventory</td> <td data-bbox="848 612 1066 639">(1)</td> <td data-bbox="1072 612 1151 639">2,400</td> <td data-bbox="1158 612 1272 639"></td> </tr> <tr> <td data-bbox="383 644 842 671">Loan</td> <td data-bbox="848 644 1066 671">(1)</td> <td data-bbox="1072 644 1151 671"></td> <td data-bbox="1158 644 1272 671">7,000</td> </tr> <tr> <td data-bbox="383 676 842 703">Property</td> <td data-bbox="848 676 1066 703">(1)</td> <td data-bbox="1072 676 1151 703">90,000</td> <td data-bbox="1158 676 1272 703"></td> </tr> <tr> <td data-bbox="383 708 842 735">Provision for Bad Debts</td> <td data-bbox="848 708 1066 735">(1)</td> <td data-bbox="1072 708 1151 735"></td> <td data-bbox="1158 708 1272 735">300</td> </tr> <tr> <td data-bbox="383 740 842 767">Purchases</td> <td data-bbox="848 740 1066 767">(1)</td> <td data-bbox="1072 740 1151 767">55,000</td> <td data-bbox="1158 740 1272 767"></td> </tr> <tr> <td data-bbox="383 772 842 799">Purchase Returns</td> <td data-bbox="848 772 1066 799"></td> <td data-bbox="1072 772 1151 799"></td> <td data-bbox="1158 772 1272 799">1,500</td> </tr> <tr> <td data-bbox="383 804 842 831">Rent Received</td> <td data-bbox="848 804 1066 831">(1)</td> <td data-bbox="1072 804 1151 831"></td> <td data-bbox="1158 804 1272 831">3,300</td> </tr> <tr> <td data-bbox="383 836 842 863">Sales Revenue</td> <td data-bbox="848 836 1066 863">(1)</td> <td data-bbox="1072 836 1151 863"></td> <td data-bbox="1158 836 1272 863">80,000</td> </tr> <tr> <td data-bbox="383 868 842 895">Sales Revenue Returns</td> <td data-bbox="848 868 1066 895"></td> <td data-bbox="1072 868 1151 895">3,000</td> <td data-bbox="1158 868 1272 895"></td> </tr> <tr> <td data-bbox="383 900 842 927">Trade Payables</td> <td data-bbox="848 900 1066 927">(1)</td> <td data-bbox="1072 900 1151 927"></td> <td data-bbox="1158 900 1272 927">4,700</td> </tr> <tr> <td data-bbox="383 932 842 959">Trade Receivables</td> <td data-bbox="848 932 1066 959"></td> <td data-bbox="1072 932 1151 959">6,000</td> <td data-bbox="1158 932 1272 959"></td> </tr> <tr> <td data-bbox="383 963 842 991"></td> <td data-bbox="848 963 1066 991">(1)</td> <td data-bbox="1072 963 1151 991">196,800</td> <td data-bbox="1158 963 1272 991">196,800</td> </tr> <tr> <td data-bbox="383 995 842 1023"></td> <td data-bbox="848 995 1066 1023"></td> <td data-bbox="1072 995 1151 1023"></td> <td data-bbox="1158 995 1272 1023"></td> </tr> </tbody> </table>	Ace Enterprises Trial Balance as at 31 December Year 3						Dr	Cr	Carriage In	(1)	700		Carriage Out		900		Cash & Cash Equivalents	(1)	14,200		Discount Allowed	(1)	1,100		Drawings	(1)	4,200		Equity	(1)		100,000	General Expenses	(1)	19,300		Inventory	(1)	2,400		Loan	(1)		7,000	Property	(1)	90,000		Provision for Bad Debts	(1)		300	Purchases	(1)	55,000		Purchase Returns			1,500	Rent Received	(1)		3,300	Sales Revenue	(1)		80,000	Sales Revenue Returns		3,000		Trade Payables	(1)		4,700	Trade Receivables		6,000			(1)	196,800	196,800					15	<p data-bbox="1503 284 2074 352">1 mark to be awarded for the following pairs of correct entries:</p> <ul data-bbox="1547 389 2074 560" style="list-style-type: none"> • Carriage In & Carriage Out • Purchase & Purchase Returns • Sales Revenue & Sales Revenue Returns • Trade Payables & Trade Receivables <p data-bbox="1503 596 2074 665">If one entry wrong in each pair - lose award.</p> <p data-bbox="1503 702 2074 770">One mark to be awarded to all other entries.</p> <p data-bbox="1503 807 2074 834">If entry in both Dr and Cr - no award.</p> <p data-bbox="1503 871 2074 940">Award 1 mark for both totals if arithmetically correct.</p>
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6.	(a)	<table border="1"> <thead> <tr> <th>ERROR</th> <th>EFFECT</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Decrease £500 (1)</td> </tr> <tr> <td>2</td> <td>Increase (1) £450 (1)</td> </tr> <tr> <td>3</td> <td>No Effect (1)</td> </tr> <tr> <td>4</td> <td>Decrease £100 (1)</td> </tr> <tr> <td>5</td> <td>No Effect (1)</td> </tr> <tr> <td>6</td> <td>Increase (1) £1,400 (1)</td> </tr> <tr> <td>7</td> <td>Increase £250 (1)</td> </tr> <tr> <td>Total</td> <td>£1,500 increase (1)</td> </tr> </tbody> </table>	ERROR	EFFECT	1	Decrease £500 (1)	2	Increase (1) £450 (1)	3	No Effect (1)	4	Decrease £100 (1)	5	No Effect (1)	6	Increase (1) £1,400 (1)	7	Increase £250 (1)	Total	£1,500 increase (1)	10	<p>Error 2 Insurance - award 1 mark for calculating 450 and the second mark for the correct effect on the profit.</p> <p>Error 6 Rent - if candidates say increase 700 award 1 mark, if they say decrease 700 award 0 marks.</p> <p>For Errors 3 & 5, if candidate says no effect and puts in a number, no award each time (total is consequential).</p> <p>Accept total without increase/ decrease label. If a decrease, figure must indicate a negative amount, otherwise lose award.</p>
ERROR	EFFECT																					
1	Decrease £500 (1)																					
2	Increase (1) £450 (1)																					
3	No Effect (1)																					
4	Decrease £100 (1)																					
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6	Increase (1) £1,400 (1)																					
7	Increase £250 (1)																					
Total	£1,500 increase (1)																					
	(b)	£29,500 + £1,500 = £31,000 (1)	1	Watch for consequentiality on (a).																		
	(c)	<p>To check the accuracy of the ledger (1) To check double entry (1) To check Dr = Cr (1) To check ledgers/accounts balance (1) Errors may be picked up (1)/To check if there are errors (1) Arithmetic check of the ledger (1) To allow the final accounts to be prepared (1)</p> <p>Do Not Accept: To make sure there are <u>NO</u> errors To make sure Trial Balance/Account (singular) Balances</p>	1	Any one for 1 mark.																		
	(d)	<p>Compensating (1) (Accept Compensation/Compensatory) Omission (1) (Accept Omitted) Principle (1)</p>	3	If more than one answer in a box, no award even if one is correct.																		

[END OF MARKING INSTRUCTIONS]