



National
Qualifications
2019

2019 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.

Q1 PART A (a)

- For a mark to be awarded for correct entry of items, they must appear only once. If an entry does appear twice - apply +/- rule.
- For a mark to be awarded it must be the correct effect (a wrong effect like deducting Investment Revenue would get no award - but does not affect the Arithmetic/Subtotals mark). This does not apply to expenses - if expenses subtotal is added, lose subtotal award.
- If not laid out as an Income Statement (ie list of cash in/cash out) only award marks for Heat & Light prepayment, Employee Wages accrual, Depreciation calculation and PBD creation (4). In addition award mark for correct arithmetic if applicable (1). Maximum 5 marks in total.
- Extraneous items are as follows. Bank, Drawings, Equity, Fixtures and Fittings of £10,000, Trade Payables and Trade Receivables.

- Depreciation

If Fixtures & Fittings Cost has been adjusted by depreciation it is wrong - not extraneous.

If the candidate uses the existing Provision for Depreciation of £4,000 in the Income Statement figure it is not to be considered as extraneous - it is just wrong. However, if the candidate calculates the Income Statement depreciation figure, AND IN ADDITION, includes the existing provision as a separate entry, then this will be considered as extraneous. Examples are as follows:

If £4,000 entered into Income Statement on its own - 0 marks but NOT extraneous.

If there is one depreciation entry of £5,000, - 0 marks but NOT extraneous.

If there are two entries for depreciation - award 1 mark if correct entry of £1,000 but treat existing provision as extraneous.

- Bad Debts/PBD

If PBD added together with Bad Debt for £520 - award 1 mark.

- Layout Mark

To gain the Layout mark, there must be:

- A correct account name for the Income Statement with date. Need for/at year-end. Name of firm not needed.
- A Gross Profit label.
- A Profit for Year label.

Note - If no Gross Profit or PFY is calculated cannot lose award for having no labels.

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

Although other headings are not required, lose award if they are clearly wrong (ie Less Expenses is headed as Less Current Liabilities).

- Arithmetic and Subtotals

If arithmetic wrong, subtotals treated incorrectly, total at PFY not shown or subtotals of gross profit and expenses missing - lose award. Ignore other subtotals missing for example net sales, COS.

- Nomenclature

If wrong/missing nomenclature on individual entries - lose award to maximum of 1. Ignore thereafter. Accept reasonable/old nomenclature. For Depreciation, if the candidate has the nomenclature 'Fixture and Fittings' but is showing a depreciation amount - accept.

Question		Expected response			Max mark	Additional guidance
1.	PART A (a)	Vera's News & Groceries Income Statement for the Year Ended 31 December Year 3			20	Accept adjustments detached if directly below. If not directly below - do not award (DNA) Accept net purchases of £32,900 for 2 marks. Employee Wages: 14,700 = 1 mark 14,160 = 1 mark 540 = 1 mark Heat & Light: 1,950 = 1 mark 2,070 = 1 mark 120 = 0 marks (120) = 1 mark
		£	£	£		
				76,700		
				800		
				<u>75,900</u>	(1)	
		LESS: COST OF SALES				
			7,400		(1)	
		34,200	(1)			
		<u>1,300</u>	(1)			
			<u>32,900</u>			
			40,300			
			<u>8,600</u>		(1)	
				<u>31,700</u>		
				<u>44,200</u>		
		GROSS PROFIT				
		LESS EXPENSES				
			220		(1)	
			330		(1)	
			480		(1)	
			15,240		(2)	
			1,830		(2)	
			9,850		(1)	
			1,000		(1)	
			<u>300</u>		(1)	
				<u>29,250</u>		
				14,950		
		ADD OTHER INCOME				
				610	(1)	
				<u>15,560</u>		
					(1)	
					(2)	
					(1)	

Question		Expected response	Max mark	Additional guidance	
	(b)	Wear and tear (Use/Usage) Damage New models Obsolete Age/Time Changes in fashion/trends	2	Any 2 for 1 mark each If candidate has more than 2 reasons ignore wrong answers.	
	(c)	(i)	Invoice	1	DNA Copy Invoice
		(ii)	Statement (of Account)	1	DNA Bank Statement
		(iii)	Credit Note	1	DNA Copy Credit Note

Q1 PART A (a)

Mark as per solution with the following exceptions:

1. If 10 June treated as Cr in a Sales Account:

Lose award in Sales A/c

VAT should be a Cr entry of £300 (1)

Supply Stores should be a Dr entry (1).

If candidates did not follow this logic this will mean that entries that are correct as per solution will be marked as wrong.

If candidate has opened a Sales A/c but entry is a Dr, lose award in Sales A/c but VAT and Supply Stores get **1 mark** each as per solution.

2. In Supply Stores, if balance is Dr due to previous error and cleared to 0 by a Credit entry, accept for 1 mark and accept corresponding entry in Discount A/c as either Dr or Cr (1 mark)

Accept any discount that clears account to 0.

3. If candidate opens a Ravi account instead of Supply Stores, then lose award for 10 June and mark 23 June entries as consequential. If candidate has both a Ravi and Supply Stores A/c, mark Supply Stores ONLY.

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1. PART B	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" style="text-align: left; padding: 5px;">Bank (Cash & Cash Equivalents)</th> </tr> <tr> <th style="width: 15%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 15%;">Dr £</th> <th style="width: 15%;">Cr £</th> <th style="width: 35%;">Bal £</th> </tr> </thead> <tbody> <tr> <td>9 June</td> <td>Balance</td> <td></td> <td></td> <td style="text-align: right;">£10,000 (Dr)</td> </tr> <tr> <td>23 June</td> <td>Supply Stores</td> <td></td> <td style="text-align: right;">£1,620</td> <td style="text-align: right;">£8,380</td> </tr> </tbody> </table> <p style="text-align: right; margin-right: 20px;">(1)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" style="text-align: left; padding: 5px;">Purchases</th> </tr> <tr> <th style="width: 15%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 15%;">Dr £</th> <th style="width: 15%;">Cr £</th> <th style="width: 35%;">Bal £</th> </tr> </thead> <tbody> <tr> <td>10 June</td> <td>Supply Stores</td> <td style="text-align: right;">£1,500</td> <td></td> <td style="text-align: right;">£1,500</td> </tr> </tbody> </table> <p style="text-align: right; margin-right: 20px;">(1)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" style="text-align: left; padding: 5px;">VAT</th> </tr> <tr> <th style="width: 15%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 15%;">Dr £</th> <th style="width: 15%;">Cr £</th> <th style="width: 35%;">Bal £</th> </tr> </thead> <tbody> <tr> <td>10 June</td> <td>Supply Stores</td> <td style="text-align: right;">£300</td> <td></td> <td style="text-align: right;">£300</td> </tr> <tr> <td>23 June</td> <td>Supply Stores</td> <td></td> <td style="text-align: right;">£30</td> <td style="text-align: right;">£270</td> </tr> </tbody> </table> <p style="text-align: right; margin-right: 20px;">(1)</p>	Bank (Cash & Cash Equivalents)					Date	Details	Dr £	Cr £	Bal £	9 June	Balance			£10,000 (Dr)	23 June	Supply Stores		£1,620	£8,380	Purchases					Date	Details	Dr £	Cr £	Bal £	10 June	Supply Stores	£1,500		£1,500	VAT					Date	Details	Dr £	Cr £	Bal £	10 June	Supply Stores	£300		£300	23 June	Supply Stores		£30	£270	10	<p>A mark is awarded for entries only. To gain award entries should be in correct account. Ignore dates and nomenclature.</p> <p>For 10 June entry, start at purchases and mark from there.</p> <p>If an entry is awarded a mark and there is an additional extra entry of the same amount, apply +/- (to a maximum 1).</p>
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CASH BUDGET CALCULATIONS

	July	August	September	Total
Cash Sales	$900 \times \text{£}100 = \text{£}90,000$ (1)	$1,000 \times \text{£}100 = \text{£}100,000$ (1)	$950 \times \text{£}100 = \text{£}95,000$ (1)	(3)
Credit Sales	$400 \times 10 \times \text{£}75 = \text{£}300,000$ (1) (1) (1)	$420 \times 10 \times \text{£}75 = \text{£}315,000$ (1)	$450 \times 10 \times \text{£}75 = \text{£}337,500$ (1)	(5)
Materials	$4,800 \times \text{£}24 = \text{£}115,200$ (1) (1)	$5,400 \times \text{£}24 = \text{£}129,600$ (1)	$\text{£}5,500 \times \text{£}24 = \text{£}132,000$ (1)	(4)
Labour	$(\text{£}15 \times 2) \times 5,400 = \text{£}162,000$ (1) (1)	$\text{£}30 \times 5,500 = \text{£}165,000$ (1)	$\text{£}30 \times 6,000 = \text{£}180,000$ (1)	(4)
Overtime	* Must be blank for Sep figure to gain award.	$(4 \times 30) \times \text{£}22.50 = \text{£}2,700$ (1) (1)	$*120 \times \text{£}22.50 = \text{£}2,700$ (1)	(3)
Variable Overheads	$\text{£}5 \times 5,400 = \text{£}27,000$ (1)	$\text{£}5 \times 5,500 = \text{£}27,500$ (1)	$\text{£}5 \times 6,000 = \text{£}30,000$ (1)	(3)
New Machinery	$\text{£}40,000 \times 10\% = \text{£}4,000$ (1)	$(\text{£}40,000 - \text{£}4,000)/5 = \text{£}7,200$ 1 for calc 1 for entry	$\text{£}36,000/5 = \text{£}7,200$ (1)	(4)

The following page has a list of alternative answers. Should you see these figures award the marks.

There is no mix and match between correct solution and alternative per line. Award the one with the higher marks.

If the candidate has figures that are not on the list but has working, use professional judgement (UPJ) to award marks.

If the candidate has figures that are not on the list and NO WORKING, then if it is not obvious how they arrived at these figures award 0 marks across line.

ALTERNATIVE SOLUTIONS							
	July £		August £		September £		
Cash Sales	900,000	(0)	1,000,000	(1)	950,000	(1)	Multiplied by 10
	75,000	(0)	90,000	(1)	100,000	(1)	Went back a month
	67,500	(0)	75,000	(1)	71,250	(1)	Deducted 25%
	22,500	(0)	25,000	(1)	23,750	(1)	Multiplied by 25%
	9,000	(0)	10,000	(1)	9,500	(1)	Divided by 10
Credit Sales	400,000	(2)	420,000	(1)	450,000	(1)	Didn't deduct 25%
	315,000	(2)	337,500	(1)	375,000	(1)	Didn't go back a month
	100,000	(2)	105,000	(1)	112,500	(1)	Multiplied by 25% instead of 75%
	30,000	(2)	31,500	(1)	33,750	(1)	Didn't multiply by 10
	3,000	(2)	3,150	(1)	3,375	(1)	Divided by 10
	420,000	(1)	450,000	(1)	500,000	(1)	Didn't go back a month or deduct 25%
	105,000	(1)	112,500	(1)	125,000	(1)	Didn't go back a month and multiplied by 25% instead of 75%
	40,000	(1)	42,000	(1)	45,000	(1)	Didn't multiply by 10 & deduct 25%
	31,500	(1)	33,750	(1)	37,500	(1)	Didn't go back a month or multiply by 10
	10,000	(1)	10,500	(1)	11,250	(1)	Didn't multiply by 10 & multiplied by 25% instead of 75%
	4,000	(1)	4,200	(1)	4,500	(1)	Divided by 10 & didn't deduct 25%
	3,150	(1)	3,375	(1)	3,750	(1)	Didn't go back a month and divided by 10
	1,000	(1)	1,050	(1)	1,125	(1)	Divided by 10 & multiplied by 25% instead of 75%
	42,000	(0)	45,000	(1)	50,000	(1)	Didn't go back a month or multiply by 10 or deduct 25%
	10,500	(0)	11,250	(1)	12,500	(1)	Didn't go back a month or multiply by 10 & multiplied by 25%
	4,200	(0)	4,500	(1)	5,000	(1)	Didn't go back a month or deduct 25% and divided by 10
	1,050	(0)	1,125	(1)	1,250	(1)	Didn't go back a month, divided by 10 and multiplied by 25%
Materials	129,600	(1)	132,000	(1)	144,000	(1)	Didn't go back a month
Labour	144,000	(1)	162,000	(1)	165,000	(1)	Went back a month
	81,000	(1)	82,500	(1)	90,000	(1)	Didn't multiply by 2
	40,500	(1)	41,250	(1)	45,000	(1)	Divided by 2 instead
Labour/Overtime	162,000	(2)	167,700	(3)	182,700	(2)	If combined Labour with OT
			1,800	(1)	1,800	(1)	Not done time and a half
			1,350	(1)	1,350	(1)	Multiplied by 2 instead of 4
			675	(1)	675	(1)	Not multiplied by 4
Var OH	24,000	(0)	27,000	(1)	27,500	(1)	Went back a month

Question	Expected response	Max mark	Additional guidance
(b)	<ul style="list-style-type: none"> • arrange a source of finance - accept examples for example bank loan (maximum 1) • find/use a cheaper supplier for materials • invest more equity for example invest personal savings/own equity/taking on a partner (maximum 1) • reduce expenses - accept examples such as reduce use of electricity (maximum 2) • make full use of credit offered from suppliers • arrange credit facilities with suppliers • offer prompt payment discount to customers • promote more <u>cash</u> sales DNA more sales/produce more/increase output • reduce number of credit sales. • increase selling price of products • sale and leaseback of assets • hire purchase/pay in instalments 	3	<p>1 mark for each correct decision x 3</p> <p>Accept any other suitable response</p> <p>DNA - produce less of a product/reduce output</p>
(c)	<ul style="list-style-type: none"> • can use formulae • spreadsheet automatically updates changes/easier to edit/easier to change • templates can be used • reduces human error/more accurate • can do IF statements • can do graphs and charts 	1	<p>Accept any other suitable response</p> <p>DNA - any benefits not relating to the production of accounts (doesn't have to be cash budget).</p> <p>For example - DNA</p> <ul style="list-style-type: none"> • saves space • can be sent by email • reduces paper • easy to read/understand • easy to change formatting • easier to compare • easier to keep track of records/documents

Question		Expected response									Max mark	Additional guidance																																																																													
3.	(a)	<table border="1"> <thead> <tr> <th></th> <th colspan="3">Receipts</th> <th colspan="3">Issues</th> <th colspan="3">Balance</th> <th></th> </tr> <tr> <th>Date*</th> <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> <th></th> </tr> </thead> <tbody> <tr> <td>10 May</td> <td>200</td> <td>3.40</td> <td>680</td> <td></td> <td></td> <td></td> <td>200</td> <td>3.40</td> <td>680*</td> <td></td> </tr> <tr> <td>28 June</td> <td>220</td> <td>3.50</td> <td>770</td> <td>(1)</td> <td></td> <td></td> <td>200 220</td> <td>3.40 3.50</td> <td>680 <u>770</u> 1,450</td> <td>(1)</td> </tr> <tr> <td>02 July</td> <td></td> <td></td> <td></td> <td>170</td> <td>(2)</td> <td>578</td> <td>30 220</td> <td>3.40 3.50</td> <td>102 <u>770</u> 872</td> <td>(1)</td> </tr> <tr> <td>14 July</td> <td></td> <td></td> <td></td> <td>10</td> <td>(1)</td> <td>35</td> <td>30 210</td> <td>3.40 3.50</td> <td>102 <u>735</u> 837</td> <td>(1)</td> </tr> <tr> <td>15 July</td> <td></td> <td></td> <td>(1) 30 (1) 50</td> <td>30 50</td> <td>3.40 3.50</td> <td>102 175</td> <td>160</td> <td>3.50</td> <td>560*</td> <td>(1)</td> </tr> </tbody> </table>										Receipts			Issues			Balance				Date*	Q	CPU (£)	V (£)	Q	CPU (£)	V (£)	Q	CPU (£)	V (£)		10 May	200	3.40	680				200	3.40	680*		28 June	220	3.50	770	(1)			200 220	3.40 3.50	680 <u>770</u> 1,450	(1)	02 July				170	(2)	578	30 220	3.40 3.50	102 <u>770</u> 872	(1)	14 July				10	(1)	35	30 210	3.40 3.50	102 <u>735</u> 837	(1)	15 July			(1) 30 (1) 50	30 50	3.40 3.50	102 175	160	3.50	560*	(1)	10	<p>Watch consequentiality throughout question</p> <p>All items in the Q, CPU & V columns must be correct to receive award.</p> <p>If a mistake in 2 July issue, candidates can gain 1 mark provided they have the correct Q and CPU of stock issued. (for example arithmetic error, missing balance). Otherwise no award.</p> <p>*The final mark in the balance column is for correct balances on 10 May, 15 July 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. For example - 28 June only has £1,450 in balance.</p> <p>The issues on 15 Jul don't need a total.</p> <p>If issues are entered in Receipts, DNA award(s) each time.</p> <p>If return treated as receipt on 14 July, if priced at £3.40 balance needs 3 entries otherwise DNA balance award.</p>
			Receipts			Issues			Balance																																																																																
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<p>Important</p> <ul style="list-style-type: none"> done as LIFO, DNA the 4 issue marks on 2 & 15 July (maximum overall award is 6) if 2 separate groups of stock not shown in 28 June, 2 July and 14 July balances, DNA balance award each time if Balance column done as running balance - mark balances box as per solution. 																																																																																									

Question		Expected response	Max mark	Additional guidance
	(b)	<ul style="list-style-type: none"> • preparing Job Cost Statements • calculating break-even • assist in/provide info for Decision Making (Decision Making on its own - 0 marks) • budgeting • calculating Overhead costs/preparing Overhead (OH) Analysis • calculating labour costs <p>If candidate says 'calculating costs' and then goes on to highlight a specific management cost - award 1 mark. DNA if candidate only says 'calculating costs.'</p> <p>DNA if any reference to inventory valuation as in the question. DNA any reference to accountant actually making the right/final decision - only accept if they say helps to.</p>	2	<p>1 mark for each correct role.</p> <p>Accept any other management accountant role/duty UPJ.</p> <p>Both roles need to be in different areas, for example calculating break-even and calculating margin of safety would only gain 1 mark.</p>
	(c) (i)	<ul style="list-style-type: none"> • advertising; Rent; Electricity; Insurance; Cleaning; Stationery, Mortgage, Loans • accept salaries (or any other payment to non-production staff) 	1	
	(ii)	<ul style="list-style-type: none"> • machine hours/machines • labour hours/employees (Accept 'hours' on its own) • materials • space • time • finance 	1	DNA Costs/Expenses
	(iii)	<ul style="list-style-type: none"> • (raw) Materials • accept Wages (Production/Manufacturing Wages) Accept Labour on its own • patent/trademark/royalty • power 	1	DNA - Electricity/Heat & Light

Question		Expected response		Max mark	Additional guidance																																																
4.	(a)	Job Cost Statement for Order 125 <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right; width: 10%;">£</td> <td style="text-align: right; width: 10%;">£</td> <td style="width: 20%;"></td> </tr> <tr> <td>Direct Materials (300 @ £8)</td> <td></td> <td>2,400</td> <td>(1)</td> </tr> <tr> <td colspan="4">Direct Labour</td> </tr> <tr> <td>Normal time (130 hours @ £10)</td> <td>1,300</td> <td></td> <td>(1)</td> </tr> <tr> <td>Time-saved Bonus* (20 hours @ £7.50)</td> <td>150</td> <td>1,450</td> <td>(3)</td> </tr> <tr> <td>Direct Expenses (300 @ 0.3)</td> <td></td> <td>90</td> <td>(1)</td> </tr> <tr> <td>Overheads (130 hours @ £2)</td> <td></td> <td><u>260</u></td> <td>(1)</td> </tr> <tr> <td>TOTAL COST</td> <td></td> <td>4,200</td> <td></td> </tr> <tr> <td>ADD Profit (30%)</td> <td></td> <td><u>1,260</u></td> <td>(1)</td> </tr> <tr> <td></td> <td></td> <td>5,460</td> <td></td> </tr> <tr> <td>Add VAT 20%</td> <td></td> <td><u>1,092</u></td> <td>(1)</td> </tr> <tr> <td>SELLING PRICE</td> <td></td> <td><u>6,552</u></td> <td>(1)</td> </tr> </table> * normal time (300 x 1/2 hour) 150 hours (1) Hours Saved (150-130) 20 hours (1) (Hours Saved x £7.50) (1) (Hours Saved can be any number worked out by calculation. Have to make some attempt at calculating time saved) If £7.50 multiplied by 300, 150, 130 then no award.			£	£		Direct Materials (300 @ £8)		2,400	(1)	Direct Labour				Normal time (130 hours @ £10)	1,300		(1)	Time-saved Bonus* (20 hours @ £7.50)	150	1,450	(3)	Direct Expenses (300 @ 0.3)		90	(1)	Overheads (130 hours @ £2)		<u>260</u>	(1)	TOTAL COST		4,200		ADD Profit (30%)		<u>1,260</u>	(1)			5,460		Add VAT 20%		<u>1,092</u>	(1)	SELLING PRICE		<u>6,552</u>	(1)	10	<p>Selling Price mark awarded for all arithmetic correct, and final label for Selling Price/Quote. DNA cost unless it says 'cost to customer'.</p> <p>If divided by units to get unit cost, DNA final Selling Price award.</p> <p>If candidate has applied VAT and/or Profit on each line item, mark each item as correct (ignoring VAT/Profit) and lose both VAT and Profit marks (even if Profit calculated correctly).</p> <p>If Total Cost subtotal incorrect - DNA profit award. If profit missing, DNA it on the VAT award.</p> <p>If Mark-up/VAT subtracted - DNA award(s). This does not affect final total mark which would now be consequential.</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 - maximum 1 for both VAT and Mark-up entries if calculated correctly. If this happens and either VAT or Mark-up calculated incorrectly - 0 marks.</p> <p>Subtotal after profit not required.</p>
	£	£																																																			
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		Accept ANY layout & no heading																																																			

Question	Expected response	Max mark	Additional guidance
(b)	<p>Answer must be Product A with a justification. Justification can be either explanation or numerical example.</p> <p><u>If shown numerically correct:</u></p> <p>Contribution Per Hour A = £7 (£14/2) B = £6 (£18/3) C = £4 (£16/4) } Product A chosen (No justification required) 2 marks</p> <p><u>If shown numerically different than above:</u> If Candidate has Product A and justification - ignore calculations - 2 marks If Candidate states Product A with no justification - look at calculations as justifications. UPJ. - 2 marks If Candidate has Product B or C - 0 marks</p> <p><u>If not shown numerically:</u></p> <p>Candidates must justify their choice</p> <p>Product A (must be product A) as it has highest contribution per hour (2)/takes less time to make (2) so can <u>make more</u> units (2)/make more profit (2)/make more money (2)</p>	2	<p>If no working shown but correct answer (with justification) given - award 2 marks.</p> <p>If no attempt to outline reason - no award.</p> <p>Accept choosing Type A with the justification of higher contribution per unit for 2 marks.</p>
(c)	300/2 = 150 suitcases (1)	1	<p>Watch consequentiality on (b)</p> <p>If picked Type B = 100 units (1)</p> <p>If picked Type C = 75 units (1)</p>
(d)	<p>150 x £14 = £2,100 (2) OR 300 x £7 = £2,100 (2)</p> <p>2 marks all or nothing</p> <p>If candidates mix and match hours and units then no award.</p>	2	<p>Consequential on (b) & (c)</p> <p>Award 1 mark if arithmetic error.</p> <p>If picked Type B = £1,800 (2)</p> <p>If picked Type C = £1,200 (2)</p>

Question		Expected response				Max mark	Additional guidance	
5.		Allen Noble Trial Balance as at 31 March Year 8				15	<p>1 mark to be awarded for the following pairs of correct entries:</p> <ul style="list-style-type: none"> • Sales Revenue & Purchases • Sales Returns & Purchases Returns • Trade Payables & Trade Receivables • Carriage In & Out • Discount Allowed and Discount Received • Property & Equipment <p>If one entry wrong in each pair - DNA mark.</p> <p>1 mark to be awarded to all other entries.</p> <p>If entry in both Dr and Cr - no award</p> <p>Award 1 mark for both totals if arithmetically correct.</p>	
				DR	CR			
			Drawings	(1)	5,300			
			Overdraft - Cash & Cash Eq	(1)				3,600
			Finance Costs	(1)	450			
			Sales Revenue	(1)				248,620
			Purchases		140,650			
			Sales Revenue Returns	(1)	8,930			
			Purchase Returns					6,891
			Trade Receivables	(1)	3,700			
			Trade Payables					2,650
			Carriage In	(1)	597			
			Carriage Out		1,000			
			Discount Allowed	(1)	943			
			Discount Received					654
			Property	(1)	400,000			
			Equipment		58,720			
			Mortgage	(1)				210,000
			Provision for DD	(1)				370
			General Expenses	(1)	1,325			
		Inventory	(1)	10,900				
		Equity	(1)		159,730			
			(1)	632,515	632,515			

Question		Expected response	Max mark	Additional guidance
6.		<p>Watch for consequentiality throughout question. In (a) (ii)/(iii) if £ sign missing lose award for first omission. Thereafter ignore. Ignore labels in (b)-(d).</p> <p>If the candidate works out the correct answer but then further adjusts it, they cannot gain full marks.</p>		
	(a) (i)	150	1	
	(ii)	£1,800 (1)	1	
	(iii)	£1,200 (1)	1	
	(b) (i)	$\frac{£1,800}{150}$ (or any other correct division - total revenue picked must match units) = £12 (2)	2	All or nothing (unless further adjusted) Award 1 mark if arithmetic error. watch consequentiality from (a)
	(ii)	$\frac{£1,800-£1,200}{150}$ (or any other correct division - total cost picked must match units) = £4 (2)	2	All or nothing (unless further adjusted) Award 1 mark if arithmetic error. watch consequentiality from (a)
	(iii)	£12 - £4 = £8 (2)	2	All or nothing (unless further adjusted) Award 1 mark if arithmetic error. (watch consequentiality)

Question	Expected response	Max mark	Additional guidance															
(c)	<p>Method 1 $(210 - 150) = 60$ units (1)</p> <p>$60 \times £8 = £480$ profit (1) (1)</p> <p>Method 2</p> <p>$(210 \times £8) = £1,680 - £1,200 = £480$ profit (2) (1) (all or nothing)</p> <p>Method 3</p> <table style="margin-left: 20px;"> <tr> <td>$(210 \times \text{SP } £12) =$</td> <td style="text-align: right;">2,520</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Less FC</td> <td style="text-align: right;"><u>1,200</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right;">1,320</td> <td></td> </tr> <tr> <td>Less VC (210×4)</td> <td style="text-align: right;"><u>840</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right;">480</td> <td></td> </tr> </table>	$(210 \times \text{SP } £12) =$	2,520	(1)	Less FC	<u>1,200</u>	(1)		1,320		Less VC (210×4)	<u>840</u>	(1)		480		3	<p>To gain first mark - candidate must use 210 units and the break-even point correctly.</p> <p>Accept 60 units on its own for 2 marks. If arithmetic error where 2 marks are being awarded - award 1 mark.</p> <p>Maximum 2 overall if answer incorrect based on correct/consequential figures used. No need to indicate profit, but if loss calculated it must be shown.</p> <p>Candidates may use different method to get correct answer. If answer incorrect, UPJ to allocate marks.</p> <p>In Method 2 - award 1 mark if arithmetic error in the 2 mark calculation.</p>
$(210 \times \text{SP } £12) =$	2,520	(1)																
Less FC	<u>1,200</u>	(1)																
	1,320																	
Less VC (210×4)	<u>840</u>	(1)																
	480																	

Question	Expected response	Max mark	Additional guidance
(d)	<p>Method 1 (1) (1) $1,200 + (480 + 480)$ £8 (1) = 270 units</p> <p>Method 2 $960/£8 = 120 + 150 = 270$ units (1) (1) (1)</p> <p>Method 3 In (c) Break Even = 150 units + 60 = 210 units x £8 = £480</p> <p>If you double the units above BEP, you double the profit. Therefore:</p> $\begin{array}{r} +120 = x \text{ £8} = \text{£960 (3)} \\ +150 \\ \hline 270 \end{array}$ <p>UPJ to assign marks if candidate uses this method and not consequentially correct</p>	3	<p>Answer is consequential on candidate's answer to part (c)</p> <p>Maximum 2 marks if answer incorrect based on figures used.</p> <p>If candidate just doubles the boxes (420) - no award.</p> <p>If candidate doubles the boxes and takes off break-even units (420-150) then award 3 marks.</p> <p>Candidates may use a different method to get the correct answer. If answer incorrect, UPJ to allocate marks.</p> <p>If candidate uses their profit figure calculated in (c), accept calculation consequentially in (d). Otherwise, the answer must be 270 units.</p> <p>If you see 270 as the final figure - award 3 marks.</p>

[END OF MARKING INSTRUCTIONS]