

Mark Scheme (Results)

January 2011

GCSE

GCSE Applied Business (5AB02) Paper 01 Financial Records

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January 2011

Publications Code UG026049

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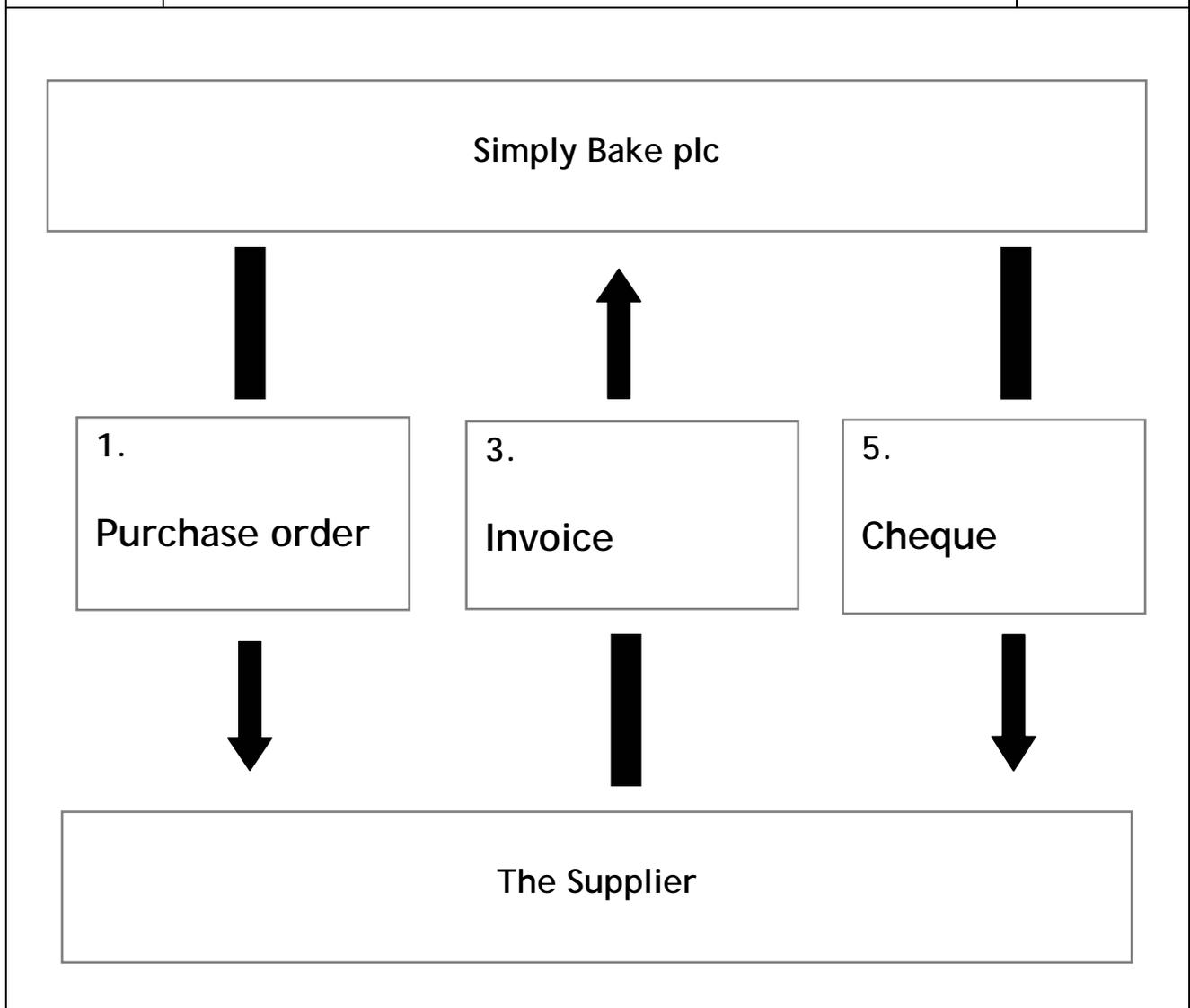
General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
1(a)	C: Purchase order	(1) AO1 x 1

Question Number	Answer	Mark
1(b)	B: Invoice	(1) AO1 x 1

Question Number	Answer	Mark
1c (i) & (ii)	Document names and positions: 1 mark for each (1 x 3) Arrows: 2 x 1 mark to Supplier, 1 mark from <i>Simply Bake plc</i>	(6) AO1 x 6



Question Number	Answer	Mark
1(d)	Task A: Cheque Task B: Direct Debit (1 x 2)	(2) AO1 x 2

Question Number	Answer	Mark
2(a)	1 mark for identifying each correct start up cost and running cost <ul style="list-style-type: none"> • Specialist equipment needed to make the cakes = Start up cost (1) • A monthly advert in a food magazine to promote the company's products = Running cost (1) • Stock of tea and coffee for clients and staff = Running cost (1) • Staff wages = Running cost (1) • Industrial ovens = Start up cost (1) (1 x 5)	(5) AO1 x 5

Question Number	Answer	Mark
2 (b)	See completed Credit Note below	(4) AO1 x 4

Simply Bake plc

Credit Note

To:

Tyson Ltd

105 Worcester Road

BIRMINGHAM

B30 4DL

(1 mark - it must be able to be delivered)

Your Ref	Returns	Customer Account Number	Date	Invoice Number	Credit Note Number
805		2515	05/01/2011	677	524

Item Code	Quantity	Description	Unit Price	REFUNDED CHARGE
CC131	10 (1 mark for correct quantity)	Chocolate caterpillar cakes	£3.95	£39.50 (1 mark for refundable amount)

Reason for Return:

1 mark for either of the following:

- ordered 10 but received 20
- 10 returned as not ordered
- accept any reference to incorrect number ordered

Question Number	Answer	Mark
2 (c)	<p data-bbox="300 304 826 338">Award 1 mark for an appropriate point.</p> <p data-bbox="300 371 639 405">Possible answers include:</p> <ul data-bbox="347 409 1230 571" style="list-style-type: none"><li data-bbox="347 409 1230 477">• To tell Tyson they are owed money for the goods returned/for the chocolate caterpillar cakes<li data-bbox="347 481 1230 548">• To repay Tyson for the goods returned/chocolate caterpillar cakes returned<li data-bbox="347 553 1230 571">• To refund the money owed by Simply Bake plc	<p data-bbox="1329 338 1374 371">(1)</p> <p data-bbox="1294 405 1409 439">AO1 x 1</p>

Question Number	Answer	Mark	
2(d)	See completed GRN below	(3) AO1 x 1 AO2 x 2	
Goods Received Note Shirley's Tuck Shop 106 Glyn Terrace Thomastown			
Supplier: <i>Simply Bake plc</i> <i>Stable Lane</i> <i>Newtown NT14 3DS</i> (1 mark)			
GRN No. 2451		Date: 8 th December 2010	
Quantity	Description	Item Ref	Order Number
25	12 x Chocolate Mini Rolls	32908	556
(1 mark for all correct)			
Consignment No. 314589		Carrier: 2U Deliveries	
Received by: G Smith		Checked by: W Giles	
Condition of goods: please indicate number in box (1 mark for both)	Good condition <input type="text" value="23"/>		
	Damaged <input type="text" value="2"/>		

Question Number	Answer	Mark
3(a)	<p>B = current asset C = liability D = current asset E = liability</p> <p>1 mark for each</p>	<p>(4)</p> <p>AO2 x 4</p>

Question Number	Answer	Mark
3 (b)	<p>Award 1 mark for an implied definition of fixed assets and 1 mark for development in the context of delivery vehicles, for example:</p> <p>Delivery vehicles are not consumed or sold during the normal course of the business producing cakes but they are used to carry on operations (1) Any asset expected to last, or be in use for, more than one year like a vehicle is considered a fixed asset (1)</p> <p>2 x 1</p>	<p>(2)</p> <p>AO2 x 2</p>

Question Number	Answer	Mark
4 (a)	<p>1 mark for the reason offered plus 1 mark for the development e.g.</p> <ul style="list-style-type: none"> Investors might be interested in Simply Bake plc's profit and loss account as it shows the revenue and costs/profit or loss a company has made over a period of time (1) - It will tell potential investors whether it is worth buying shares in the business (1). Investors will use the profit and loss account to make a judgement on the success or otherwise of the business and how it is performing (1) - whether the company made or lost money during the period being reported may affect the decision to invest (1). The P and L indicates how the revenue is transformed into the net income/it displays the revenues for a specific period and the cost and expenses (1) - this will show investors whether Simply Bake plc made or lost money during the period being reported (1). 	<p>(2)</p> <p>AO2 x 2</p>

Question Number	Answer	Mark
4 (b)	<p>1 mark for each correct reason suggested up to a maximum of 4. Possible answers include:</p> <ul style="list-style-type: none"> It gives a snapshot of the value of Simply Bake plc at any one time An investor can get an idea of how good an investment it would be Potential investors can see from this if the business is likely to be worth investing money in The forecast balance sheet can indicate how healthy the business is likely to be The forecast balance sheet is a prediction of how well the business might do A balance sheet shows what Simply Bake plc is worth 	<p>(4)</p> <p>AO2 x 4</p>

Question Number	Answer	Mark
4 (c)	<p>To get the 3 marks answers will need to make 3 relevant points about the profit and loss account and its relevance to suppliers for example:</p> <p>The profit and loss will show if it is making profits/losses (1) - and therefore likely to stay in business/to expand/to close (1) - it tells suppliers whether the business might be worth doing business with/ suppliers would not want to enter into a contract with a firm that was likely to close down in the coming months (1)</p>	<p>(3)</p> <p>AO2 x 2</p> <p>A03 x 1</p>

Question Number	Answer	Mark
5(a)	<p>This is a 2x3 breakdown. To get each 3 marks, 1 benefit will be identified and there will be two clearly identifiable linked statements which are in context. These may contain connective words such as 'because', 'this leads to', resulting in' etc.,</p> <p>Possible benefits may include:</p> <ul style="list-style-type: none"> • Each item is given a unique identifiable number • A database can be created • Enable quicker and easier stock control than manual systems • Improves efficiency/productivity • Allows shipments to be tracked <p>For example:</p> <p>As each box is given an identification number/an Unique Identifying Number (UIN) (1) - shipments can be tracked (1) - and <i>Simply Bake plc</i> can check when the shipment arrives/that the shipment has arrived at the final destination (1)</p> <p>(2x3)</p>	<p>(6)</p> <p>AO2 x 6</p>

Question Number	Answer	Mark
5(b)	<p><i>Answer must refer to computerised accounting system not to spreadsheets.</i></p> <p>This is a 2x3 breakdown. To get each 3 marks, 1 advantage/disadvantage will be identified and there will be two clearly identifiable linked statements which are in context. These may contain connective words such as 'because', 'this leads to', resulting in' etc.,</p> <p>Possible advantages include:</p> <ul style="list-style-type: none"> • Work can be completed faster than using a manual system • Work is more accurate than a manual one • Information is now stored electronically • Software can generate reports • Information is stored electronically improving security • Allows data to be manipulated <p>Possible disadvantages include:</p> <p>Disadvantages:</p> <ul style="list-style-type: none"> • It takes time to set up a computerised system • Information could be lost if computer gets virus/breakdown • There may be input errors/human error. • They will be dependent on technology • Set up costs can be high • Requires time for training <p>For example:</p> <p>There may be input errors/human error (1) the wrong original figures may be entered (1) making all the accounts wrong (1)</p> <p>(2x3)</p>	(6) AO2 x 6

Question Number	Indicative content	Mark
6	<p><i>From the information given:</i></p> <ul style="list-style-type: none"> • <i>Sales have increased by £375 000, gross profit by £113 000 and net profit by £72 750</i> • <i>Net profit margin was 2% and is now up to 5%</i> • <i>Gross profit margin has stayed at 30%</i> • <i>Current ratio and acid test ratios have increased showing greater liquidity</i> • <i>ROCE has risen from 3.6% to 10.9%</i> <p><i>Simply Bake plc</i> is more profitable in 2009 than in 2008.</p> <p>Although the Gross Profit Margin (governed by the cost of raw material and wages) has stayed the same (30%) the Net Profit Margin has increased (from 2% to 5%)/the company is making more net profit per pound. This shows that <i>Simply Bake plc</i> is keeping the operating costs relatively low/stable</p> <p>ROCE has increased from 3.6% in 2008 ($36\,000/1\,000\,000 \times 100$) to 10.9% in 2009 ($108\,750/1\,000\,000 \times 100$) which shows it is getting better at generating profits from the capital invested.</p> <p><i>Simply Bake plc</i> also has better liquidity in 2009. This is shown in the increase in both current ratio and acid test ratios. This is important as the higher the value of the ratio, the larger the margin of safety that the company possesses to cover short-term debts.</p> <p>If <i>Simply Bake plc</i> can continue in this trend they will do well.</p>	<p>(10)</p> <p>A02 x 2</p> <p>A03 x 8</p>

Level	Mark	Descriptor
No mark	0	Non-rewardable material
Level 1	1 - 3	<p>Reference will be made to liquidity or profitability. A simple statement is made on the change to profitability or liquidity with some further development at the top end of the level. At this level candidates may have only used the given information. Judgments will be simplistic, e.g. "They are doing well/they have made more profit and are doing better".</p> <p>The quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter</p>
Level 2	4 - 7	<p>Reference will be made to liquidity and profitability with some development. At the lower end of the level one reason/cause/consequence will be given. At the top end of this level candidates are likely to refer to the data given and also have calculated a ratio, and will have offered some development on this figure.</p> <p>There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter; however its use will not be as confidently used as that in level 3.</p>
Level 3	8 - 10	<p>Reference to profitability and liquidity is made with some development which included at least two reasons/cause/consequences.</p> <p>The data will be used to calculate at least one ratio with some value attached as development. At the top end of the level a conclusion will be given which draws on the analysis given and is directly related to the question.</p> <p>The quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of analysis in the answer.</p>

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Order Code UG026049 January 2011

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