



# Mark Scheme (Results)

November 2020

Pearson Edexcel International GCSE  
In Accounting (4AC1)  
Paper 2: Financial Statements

## **Edexcel and BTEC Qualifications**

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at [www.edexcel.com](http://www.edexcel.com) or [www.btec.co.uk](http://www.btec.co.uk). Alternatively, you can get in touch with us using the details on our contact us page at [www.edexcel.com/contactus](http://www.edexcel.com/contactus).

## **Pearson: helping people progress, everywhere**

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: [www.pearson.com/uk](http://www.pearson.com/uk)

Autumn 2020

Publications Code 4AC1\_02\_2011\_MS

All the material in this publication is copyright

© Pearson Education Ltd 2020

## 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																																													
<b>1 (a)</b>	<p><b>Award marks as indicated with label.</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: center;"><b>Muneeb and Javeed</b></th> </tr> <tr> <th colspan="3" style="text-align: center;"><b>Appropriation account for the year ended 31 March 2020</b></th> </tr> <tr> <th></th> <th style="text-align: center;"><b>\$</b></th> <th style="text-align: center;"><b>\$</b></th> </tr> </thead> <tbody> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;">78 000</td> </tr> <tr> <td>Interest on capital</td> <td></td> <td></td> </tr> <tr> <td>Muneeb</td> <td style="text-align: right;">10 000<b>(1)</b></td> <td></td> </tr> <tr> <td>Javeed</td> <td style="text-align: right;">5 000<b>(1)</b></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(15 000)</td> </tr> <tr> <td>Salary</td> <td></td> <td></td> </tr> <tr> <td>Muneeb</td> <td></td> <td style="text-align: right;">(12 000) <b>(1)</b></td> </tr> <tr> <td>Profit available for distribution</td> <td></td> <td style="text-align: right;">51 000</td> </tr> <tr> <td>Share of profit</td> <td></td> <td></td> </tr> <tr> <td>Muneeb</td> <td></td> <td style="text-align: right;">34 000<b>(1of)</b></td> </tr> <tr> <td>Javeed</td> <td></td> <td style="text-align: right;">17 000<b>(1of)</b></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>51 000</u></td> </tr> </tbody> </table>	<b>Muneeb and Javeed</b>			<b>Appropriation account for the year ended 31 March 2020</b>				<b>\$</b>	<b>\$</b>	Profit for the year		78 000	Interest on capital			Muneeb	10 000 <b>(1)</b>		Javeed	5 000 <b>(1)</b>				(15 000)	Salary			Muneeb		(12 000) <b>(1)</b>	Profit available for distribution		51 000	Share of profit			Muneeb		34 000 <b>(1of)</b>	Javeed		17 000 <b>(1of)</b>			<u>51 000</u>	<b>(5)</b>
<b>Muneeb and Javeed</b>																																															
<b>Appropriation account for the year ended 31 March 2020</b>																																															
	<b>\$</b>	<b>\$</b>																																													
Profit for the year		78 000																																													
Interest on capital																																															
Muneeb	10 000 <b>(1)</b>																																														
Javeed	5 000 <b>(1)</b>																																														
		(15 000)																																													
Salary																																															
Muneeb		(12 000) <b>(1)</b>																																													
Profit available for distribution		51 000																																													
Share of profit																																															
Muneeb		34 000 <b>(1of)</b>																																													
Javeed		17 000 <b>(1of)</b>																																													
		<u>51 000</u>																																													

Question Number	Answer	Mark																																										
<b>1 (b)</b>	<p><b>Award 1 mark for each correct figure as indicated plus 1 mark for correct dates and details.</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="6" style="text-align: center;"><b>Current Account - Muneeb</b></th> </tr> <tr> <th><b>Date</b></th> <th><b>Details</b></th> <th><b>\$</b></th> <th><b>Date</b></th> <th><b>Details</b></th> <th><b>\$</b></th> </tr> </thead> <tbody> <tr> <td>1 April 2019</td> <td>Balance b/d</td> <td style="text-align: right;">5 750</td> <td>31 March 2020</td> <td>Interest on capital</td> <td style="text-align: right;">10 000 <b>(1of)</b></td> </tr> <tr> <td>31 March 2020</td> <td>Drawings</td> <td style="text-align: right;">42 500 <b>(1)</b></td> <td></td> <td>Salary</td> <td style="text-align: right;">12 000 <b>(1)</b></td> </tr> <tr> <td></td> <td>Balance c/d</td> <td style="text-align: right;">7 750</td> <td></td> <td>Share of profit</td> <td style="text-align: right;">34 000 <b>(1of)</b></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>56 000</u></td> <td></td> <td></td> <td style="text-align: right;"><u>56 000</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>1 April 2020</td> <td>Balance b/d</td> <td style="text-align: right;">7 750 <b>(1of)</b></td> </tr> </tbody> </table>	<b>Current Account - Muneeb</b>						<b>Date</b>	<b>Details</b>	<b>\$</b>	<b>Date</b>	<b>Details</b>	<b>\$</b>	1 April 2019	Balance b/d	5 750	31 March 2020	Interest on capital	10 000 <b>(1of)</b>	31 March 2020	Drawings	42 500 <b>(1)</b>		Salary	12 000 <b>(1)</b>		Balance c/d	7 750		Share of profit	34 000 <b>(1of)</b>			<u>56 000</u>			<u>56 000</u>				1 April 2020	Balance b/d	7 750 <b>(1of)</b>	<b>(6)</b>
<b>Current Account - Muneeb</b>																																												
<b>Date</b>	<b>Details</b>	<b>\$</b>	<b>Date</b>	<b>Details</b>	<b>\$</b>																																							
1 April 2019	Balance b/d	5 750	31 March 2020	Interest on capital	10 000 <b>(1of)</b>																																							
31 March 2020	Drawings	42 500 <b>(1)</b>		Salary	12 000 <b>(1)</b>																																							
	Balance c/d	7 750		Share of profit	34 000 <b>(1of)</b>																																							
		<u>56 000</u>			<u>56 000</u>																																							
			1 April 2020	Balance b/d	7 750 <b>(1of)</b>																																							

Question Number	Answer	Mark																																																																																												
1 (c)	<p data-bbox="240 232 791 264"><b>Award marks as indicated with label.</b></p> <table border="1" data-bbox="240 309 1453 1292"> <thead> <tr> <th colspan="4" data-bbox="240 309 1453 387" style="text-align: center;"><b>Muneeb and Javeed Statement of financial Position at 31 March 2020</b></th> </tr> <tr> <th data-bbox="240 387 820 427"></th> <th data-bbox="820 387 1031 427" style="text-align: center;">\$</th> <th data-bbox="1031 387 1222 427" style="text-align: center;">\$</th> <th data-bbox="1222 387 1453 427" style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td colspan="4" data-bbox="240 427 1453 468"><b>Assets</b></td> </tr> <tr> <td data-bbox="240 468 820 508"><b>Non-current assets</b></td> <td data-bbox="820 468 1031 508"></td> <td data-bbox="1031 468 1222 508"></td> <td data-bbox="1222 468 1453 508" style="text-align: right;">100 000 <b>(1)</b></td> </tr> <tr> <td colspan="4" data-bbox="240 508 1453 548"><b>Current assets</b></td> </tr> <tr> <td data-bbox="240 548 820 589">Inventory</td> <td data-bbox="820 548 1031 589"></td> <td data-bbox="1031 548 1222 589" style="text-align: right;">46 475 <b>(1)</b></td> <td data-bbox="1222 548 1453 589"></td> </tr> <tr> <td data-bbox="240 589 820 629">Trade receivables</td> <td data-bbox="820 589 1031 629" style="text-align: right;">34 590</td> <td data-bbox="1031 589 1222 629"></td> <td data-bbox="1222 589 1453 629"></td> </tr> <tr> <td data-bbox="240 629 820 672">Allowance for irrecoverable debts</td> <td data-bbox="820 629 1031 672" style="text-align: right;">(3 000)</td> <td data-bbox="1031 629 1222 672"></td> <td data-bbox="1222 629 1453 672"></td> </tr> <tr> <td data-bbox="240 672 820 712"></td> <td data-bbox="820 672 1031 712"></td> <td data-bbox="1031 672 1222 712" style="text-align: right;">31 590 <b>(1)</b></td> <td data-bbox="1222 672 1453 712"></td> </tr> <tr> <td data-bbox="240 712 820 752">Other receivables</td> <td data-bbox="820 712 1031 752"></td> <td data-bbox="1031 712 1222 752" style="text-align: right;">1 040 <b>(1)</b></td> <td data-bbox="1222 712 1453 752"></td> </tr> <tr> <td data-bbox="240 752 820 792">Cash and cash equivalents</td> <td data-bbox="820 752 1031 792"></td> <td data-bbox="1031 752 1222 792" style="text-align: right;">1 145 <b>(1)</b></td> <td data-bbox="1222 752 1453 792"></td> </tr> <tr> <td data-bbox="240 792 820 833"></td> <td data-bbox="820 792 1031 833"></td> <td data-bbox="1031 792 1222 833"></td> <td data-bbox="1222 792 1453 833" style="text-align: right;">80 250 <b>(1of)</b></td> </tr> <tr> <td data-bbox="240 833 820 873"><b>Total assets</b></td> <td data-bbox="820 833 1031 873"></td> <td data-bbox="1031 833 1222 873"></td> <td data-bbox="1222 833 1453 873" style="text-align: right;"><b>180 250 (1of)</b></td> </tr> <tr> <td colspan="4" data-bbox="240 873 1453 913"><b>Equity and liabilities</b></td> </tr> <tr> <td colspan="4" data-bbox="240 913 1453 954"><b>Equity</b></td> </tr> <tr> <td data-bbox="240 954 820 994">Equity</td> <td data-bbox="820 954 1031 994" style="text-align: center;">Muneeb</td> <td data-bbox="1031 954 1222 994" style="text-align: center;">Javeed</td> <td data-bbox="1222 954 1453 994"></td> </tr> <tr> <td data-bbox="240 994 820 1034">Capital account</td> <td data-bbox="820 994 1031 1034" style="text-align: right;">100 000 <b>(1)</b></td> <td data-bbox="1031 994 1222 1034" style="text-align: right;">50 000 <b>(1)</b></td> <td data-bbox="1222 994 1453 1034" style="text-align: right;">150 000</td> </tr> <tr> <td data-bbox="240 1034 820 1075">Current account</td> <td data-bbox="820 1034 1031 1075" style="text-align: right;">7 750 <b>(1of)</b></td> <td data-bbox="1031 1034 1222 1075" style="text-align: right;">(3 950) <b>(1)</b></td> <td data-bbox="1222 1034 1453 1075" style="text-align: right;">3 800</td> </tr> <tr> <td data-bbox="240 1075 820 1115">Total equity</td> <td data-bbox="820 1075 1031 1115"></td> <td data-bbox="1031 1075 1222 1115"></td> <td data-bbox="1222 1075 1453 1115" style="text-align: right;">153 800</td> </tr> <tr> <td colspan="4" data-bbox="240 1115 1453 1155"><b>Current liabilities</b></td> </tr> <tr> <td data-bbox="240 1155 820 1196">Trade payables</td> <td data-bbox="820 1155 1031 1196"></td> <td data-bbox="1031 1155 1222 1196" style="text-align: right;">25 850 <b>(1)</b></td> <td data-bbox="1222 1155 1453 1196"></td> </tr> <tr> <td data-bbox="240 1196 820 1236">Other payables</td> <td data-bbox="820 1196 1031 1236"></td> <td data-bbox="1031 1196 1222 1236" style="text-align: right;">600 <b>(1)</b></td> <td data-bbox="1222 1196 1453 1236"></td> </tr> <tr> <td data-bbox="240 1236 820 1276"><b>Total equity and liabilities</b></td> <td data-bbox="820 1236 1031 1276"></td> <td data-bbox="1031 1236 1222 1276"></td> <td data-bbox="1222 1236 1453 1276" style="text-align: right;"><b>180 250 (1of)</b></td> </tr> </tbody> </table>	<b>Muneeb and Javeed Statement of financial Position at 31 March 2020</b>					\$	\$	\$	<b>Assets</b>				<b>Non-current assets</b>			100 000 <b>(1)</b>	<b>Current assets</b>				Inventory		46 475 <b>(1)</b>		Trade receivables	34 590			Allowance for irrecoverable debts	(3 000)					31 590 <b>(1)</b>		Other receivables		1 040 <b>(1)</b>		Cash and cash equivalents		1 145 <b>(1)</b>					80 250 <b>(1of)</b>	<b>Total assets</b>			<b>180 250 (1of)</b>	<b>Equity and liabilities</b>				<b>Equity</b>				Equity	Muneeb	Javeed		Capital account	100 000 <b>(1)</b>	50 000 <b>(1)</b>	150 000	Current account	7 750 <b>(1of)</b>	(3 950) <b>(1)</b>	3 800	Total equity			153 800	<b>Current liabilities</b>				Trade payables		25 850 <b>(1)</b>		Other payables		600 <b>(1)</b>		<b>Total equity and liabilities</b>			<b>180 250 (1of)</b>	<b>(14)</b>
<b>Muneeb and Javeed Statement of financial Position at 31 March 2020</b>																																																																																														
	\$	\$	\$																																																																																											
<b>Assets</b>																																																																																														
<b>Non-current assets</b>			100 000 <b>(1)</b>																																																																																											
<b>Current assets</b>																																																																																														
Inventory		46 475 <b>(1)</b>																																																																																												
Trade receivables	34 590																																																																																													
Allowance for irrecoverable debts	(3 000)																																																																																													
		31 590 <b>(1)</b>																																																																																												
Other receivables		1 040 <b>(1)</b>																																																																																												
Cash and cash equivalents		1 145 <b>(1)</b>																																																																																												
			80 250 <b>(1of)</b>																																																																																											
<b>Total assets</b>			<b>180 250 (1of)</b>																																																																																											
<b>Equity and liabilities</b>																																																																																														
<b>Equity</b>																																																																																														
Equity	Muneeb	Javeed																																																																																												
Capital account	100 000 <b>(1)</b>	50 000 <b>(1)</b>	150 000																																																																																											
Current account	7 750 <b>(1of)</b>	(3 950) <b>(1)</b>	3 800																																																																																											
Total equity			153 800																																																																																											
<b>Current liabilities</b>																																																																																														
Trade payables		25 850 <b>(1)</b>																																																																																												
Other payables		600 <b>(1)</b>																																																																																												
<b>Total equity and liabilities</b>			<b>180 250 (1of)</b>																																																																																											

Question Number	Answer	Mark																																							
2 (a)	<p><b>Award marks as indicated with label.</b></p> <table border="1" data-bbox="284 309 1315 898"> <thead> <tr> <th colspan="3" data-bbox="284 309 1315 387" style="text-align: center;"><b>Hyat Manufacturing account for the year ended 31 December 2019</b></th> </tr> <tr> <th data-bbox="284 387 876 427"></th> <th data-bbox="876 387 1083 427" style="text-align: center;">\$</th> <th data-bbox="1083 387 1315 427" style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 427 876 470">Prime cost</td> <td data-bbox="876 427 1083 470"></td> <td data-bbox="1083 427 1315 470" style="text-align: right;">18 750</td> </tr> <tr> <td data-bbox="284 470 876 512">Factory overheads</td> <td data-bbox="876 470 1083 512"></td> <td data-bbox="1083 470 1315 512"></td> </tr> <tr> <td data-bbox="284 512 876 555">Depreciation - factory machinery</td> <td data-bbox="876 512 1083 555" style="text-align: right;">5 120 <b>(1)</b></td> <td data-bbox="1083 512 1315 555"></td> </tr> <tr> <td data-bbox="284 555 876 598">Rent, rates and power</td> <td data-bbox="876 555 1083 598" style="text-align: right;">4 500 <b>(1)</b></td> <td data-bbox="1083 555 1315 598"></td> </tr> <tr> <td data-bbox="284 598 876 640">Wages</td> <td data-bbox="876 598 1083 640" style="text-align: right;">15 250 <b>(1)</b></td> <td data-bbox="1083 598 1315 640"></td> </tr> <tr> <td data-bbox="284 640 876 683"></td> <td data-bbox="876 640 1083 683"></td> <td data-bbox="1083 640 1315 683" style="text-align: right;">24 870</td> </tr> <tr> <td data-bbox="284 683 876 725"></td> <td data-bbox="876 683 1083 725"></td> <td data-bbox="1083 683 1315 725" style="text-align: right;">43 620</td> </tr> <tr> <td data-bbox="284 725 876 768">Opening work in progress</td> <td data-bbox="876 725 1083 768" style="text-align: right;">1 370 <b>(1)</b></td> <td data-bbox="1083 725 1315 768"></td> </tr> <tr> <td data-bbox="284 768 876 810">Closing work in progress</td> <td data-bbox="876 768 1083 810" style="text-align: right;">(1 450)<b>(1)</b></td> <td data-bbox="1083 768 1315 810"></td> </tr> <tr> <td data-bbox="284 810 876 853"></td> <td data-bbox="876 810 1083 853"></td> <td data-bbox="1083 810 1315 853" style="text-align: right;">(80)</td> </tr> <tr> <td data-bbox="284 853 876 898"><b>Production cost</b></td> <td data-bbox="876 853 1083 898"></td> <td data-bbox="1083 853 1315 898" style="text-align: right;"><b>43 540 (1of)</b></td> </tr> </tbody> </table>	<b>Hyat Manufacturing account for the year ended 31 December 2019</b>				\$	\$	Prime cost		18 750	Factory overheads			Depreciation - factory machinery	5 120 <b>(1)</b>		Rent, rates and power	4 500 <b>(1)</b>		Wages	15 250 <b>(1)</b>				24 870			43 620	Opening work in progress	1 370 <b>(1)</b>		Closing work in progress	(1 450) <b>(1)</b>				(80)	<b>Production cost</b>		<b>43 540 (1of)</b>	<b>(6)</b>
<b>Hyat Manufacturing account for the year ended 31 December 2019</b>																																									
	\$	\$																																							
Prime cost		18 750																																							
Factory overheads																																									
Depreciation - factory machinery	5 120 <b>(1)</b>																																								
Rent, rates and power	4 500 <b>(1)</b>																																								
Wages	15 250 <b>(1)</b>																																								
		24 870																																							
		43 620																																							
Opening work in progress	1 370 <b>(1)</b>																																								
Closing work in progress	(1 450) <b>(1)</b>																																								
		(80)																																							
<b>Production cost</b>		<b>43 540 (1of)</b>																																							

Question Number	Answer	Mark																																																
2 (b)	<p><b>Award marks as indicated with label.</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: center;"><b>Hyat</b></th> </tr> <tr> <th colspan="3" style="text-align: center;"><b>Income statement for the year ended 31 December 2019</b></th> </tr> <tr> <th></th> <th style="text-align: center;"><b>\$</b></th> <th style="text-align: center;"><b>\$</b></th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td></td> <td style="text-align: right;">68 000 <b>(1)</b></td> </tr> <tr> <td>Cost of sales</td> <td></td> <td></td> </tr> <tr> <td>Opening inventory</td> <td style="text-align: right;">4 730</td> <td></td> </tr> <tr> <td>Cost of production</td> <td style="text-align: right;">43 540 <b>(1of)</b></td> <td></td> </tr> <tr> <td>Closing inventory</td> <td style="text-align: right;">(5 180) <b>(1fb)</b></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(43 090) <b>(1of)</b></td> </tr> <tr> <td>Gross profit</td> <td></td> <td style="text-align: right;">24 910 <b>(1of)</b></td> </tr> <tr> <td>Expenses</td> <td></td> <td></td> </tr> <tr> <td>Administration expenses</td> <td style="text-align: right;">11 725 <b>(1)</b></td> <td></td> </tr> <tr> <td>Rent, rates and power</td> <td style="text-align: right;">1 500 <b>(1)</b></td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">5 000 <b>(1)</b></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(18 225)</td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;">6 685 <b>(1of)</b></td> </tr> </tbody> </table>	<b>Hyat</b>			<b>Income statement for the year ended 31 December 2019</b>				<b>\$</b>	<b>\$</b>	Revenue		68 000 <b>(1)</b>	Cost of sales			Opening inventory	4 730		Cost of production	43 540 <b>(1of)</b>		Closing inventory	(5 180) <b>(1fb)</b>				(43 090) <b>(1of)</b>	Gross profit		24 910 <b>(1of)</b>	Expenses			Administration expenses	11 725 <b>(1)</b>		Rent, rates and power	1 500 <b>(1)</b>		Wages	5 000 <b>(1)</b>				(18 225)	Profit for the year		6 685 <b>(1of)</b>	<b>(9)</b>
<b>Hyat</b>																																																		
<b>Income statement for the year ended 31 December 2019</b>																																																		
	<b>\$</b>	<b>\$</b>																																																
Revenue		68 000 <b>(1)</b>																																																
Cost of sales																																																		
Opening inventory	4 730																																																	
Cost of production	43 540 <b>(1of)</b>																																																	
Closing inventory	(5 180) <b>(1fb)</b>																																																	
		(43 090) <b>(1of)</b>																																																
Gross profit		24 910 <b>(1of)</b>																																																
Expenses																																																		
Administration expenses	11 725 <b>(1)</b>																																																	
Rent, rates and power	1 500 <b>(1)</b>																																																	
Wages	5 000 <b>(1)</b>																																																	
		(18 225)																																																
Profit for the year		6 685 <b>(1of)</b>																																																

Question Number	Answer	Mark
2 (c)	<p><b>Award 1 mark for identifying the accruals concept and 1 mark for application.</b></p> <p><b>For example</b> To comply with the accruals/matching concept <b>(1)</b> by matching revenues earned with the expenses incurred during the same period <b>(1)</b>.</p>	<b>(2)</b>

Question Number	Answer	Mark
2 (d) (i)	<p><b>Award 1 mark for an introduction and up to 3 marks for development.</b></p> <p><b>For example</b>            Current (working capital) ratio has not changed however the Liquid (acid test) ratio has deteriorated <b>(1)</b>.            The business will struggle to pay its short-term liabilities <b>(1)</b> with its liquid assets <b>(1)</b> as the business is holding more inventory compared to last year <b>(1)</b>.</p>	<b>(4)</b>

Question Number	Answer	Mark
2 (d) (ii)	<p><b>Award mark as indicated.</b></p> <p>No <b>(1)</b></p>	<b>(1)</b>

Question number	Answer	Mark
2 (d) (iii)	<p><b>Award 1 mark for identification of an improvement and up to 2 marks for justification.</b></p> <p><b>For example</b>            Negotiate better credit terms with suppliers <b>(1)</b> which will provide extra time to collect money from the customers <b>(1)</b> before paying suppliers <b>(1)</b>.</p>	<b>(3)</b>



