Mark Scheme (Results)

Summer 2025

Pearson Edexcel International GCSE
Accounting (4AC1)

Paper WAC2/01R

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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)	**Award marks as indicated.**	**(8)**

Morris Income statement for the year ended 31 March 2025			
	$	**$**	
Revenue		140 000	**(1)**
Cost of sales			
Opening inventory	*14 300		
Purchases	74 800		**(1)**
Returns outwards	(1 235)		**(1)**
Carriage inwards	900		**(1)**
Goods taken for own use	(750)		**(1)**
Closing inventory	*(13 600)		**(1fb)***
		(74 415)	**(1)**
Gross profit		65 585	**(1of)**

Question Number	Answer	Mark
1(b)	**Award marks for correct dates, details and amounts in combination.**	**(8)**

Drawings Account

Date	**Details**	**$**	**Date**	**Details**	**$**
Mar 31	Bank	4 750 **(1)**	Mar 31	Equity	5 500**(1)**
	Purchases	750 **(1)**			
		5 500			5 500

Equity Account

Date	**Details**	**$**	**Date**	**Details**	**$**
Mar 31	Drawings	5 500 **(1of)**	Apr 1	Balance b/d	50 000 **(1)**
	Balance c/d	75 000	Mar 31	Purchases	2 500 **(1)**
				Income statement	28 000 **(1)**
		80 500			80 500
			Apr 1	Balance b/d	75 000 **(1of)**

Question Number	Answer	Mark
1(c) (i)	**Award one mark for identification and one mark for development.** **Sample answer** The return on capital employed ratio measures how efficiently a business is using its capital to generate profit. **(1)** The higher the return the more efficiently the capital is being employed within the business**. (1)** **Accept any other appropriate responses**	**(2)**

Question Number	Answer	Mark
1(c) (ii)	**Award marks as indicated** Profit for the year/capital employed x100 **(1)** 28 000/50 000 x 100 = 56% **(1of)**	**(2)**

Question Number	**Answer**	**Mark**
1 (d)	**Award up to two marks for factors to be considered when forming a partnership and up to two marks for alternative sources of funding** **Award one mark for a conclusion.** **Sample answer** Morris will no longer be able to retain all the profits as he will have to share with Austin. **(1)** He may also find decision making slower as he will have to consult with Austin on operational issues **(1)** Morris could consider taking out a bank loan **(1)** to fund his expansion plans which would require repayment together with interest which could negatively affect his profitability **(1)** I would advise Morris to consider all options to expand his business. **(1)** **Accept any other appropriate responses**	**(5)**

TOTAL FOR QUESTION 1 = 25 MARKS

Question Number	Answer	Mark
2 (a)	**Award marks as indicated.** **Victoria and Albert** **Appropriation account for the year ended 30 April 2025**	

	$	$	
Profit for the year		80 000	
Interest on drawings:			
Victoria	90		
Albert	60		
		150	**(1)**
Interest on capital:			
Victoria	2 500		
Albert	1 500		
		(4000)	**(1)**
Salary: Victoria		(12 000)	**(1)**
Residual profit		64 150	**(1)**
Share of profit:			
Victoria		32 075	**(1of fb)**
Albert		32 075	
		64 150	

(5)

Question Number	Answer	Mark
2(b)	**Award marks as indicated.**	

Victoria and Albert

Statement of financial position at 30 April 2025

	$	$	$
Assets			
Non-current assets			
Land and buildings			100 000
Fixtures and fittings			40 000
Motor vehicles			15 000
			155 000 **(1)**
Current assets			
Inventory		14 320	
Trade receivables		19 500 **(1)**	
Other receivables		350 **(1)**	
Petty cash		250	
			34 420 **(1)**
Total assets			189 420 **(1of)**
Equity and liabilities			
Equity	**Victoria**	**Albert**	
Capital account	50 000 **(1)**	30 000 **(1)**	
Current account	48 185 **(1)**	30 015 **(1)**	
Total equity	98 185	60 015	158 200 **(1of)**
Current liabilities			
Partnership loan		8 000 **(1)**	
Trade payables		12 000	
Other payables		650 **(1)**	
Bank		10 570 **(1)**	
Total liabilities			31 220 **(1of)**
Total equity and liabilities			189 420 **(1of)**

(15)

Question Number	Answer	Mark
2(c) (i)	**Award one mark for identification of an advantage and one mark for valid development.** **Sample answer** As the LLP is considered a separate legal entity each partner's liability would be limited to their investment in the partnership **(1)** Therefore, their personal assets cannot be used to satisfy business debts. **(1)** **Accept any other appropriate responses**	**(2)**

Question Number	Answer	Mark
2(c) (ii)	**Award one mark for identification of a reason and up to two marks for valid development.** **Sample answer** Goodwill is an intangible asset which adds value **(1)** to a partnership therefore when a new partner joins an existing partnership he will benefit from an inherent value **(1)** which will have built up due to the partnership's reputation etc **(1)** **Accept any other appropriate responses**	**(3)**

TOTAL FOR QUESTION 2 = 25 MARKS
TOTAL MARKS FOR PAPER = 50 MARKS