



Mark Scheme

January 2018
Results

Pearson LCCI
Certificate in Financial Accounting
(VRQ)
(ASE20097)

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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.
- Where marks are awarded for own figure answers, these marks can only be awarded if evidence of how the candidate arrived at their values has been provided (their workings).
- If candidate's fail to provide their workings when instructed in the paper, it may not be possible to achieve all marks associated with the question, even if the final answer is correct.
- For calculation questions full marks can be awarded where correct answer is seen with no workings shown, unless question states that candidate must provide workings.

Abbreviation

of Own Figure rule

Accuracy marks can be awarded where the candidates' answer does not match the mark scheme, though is accurate based on their valid method.

cao Correct Answer Only rule

Accuracy marks will only be awarded if the candidates' answer is correct, and in line with the mark scheme.

Question Number	Answer AO2 (15)	Mark																																																																																												
1(a)	<p>Award 1 mark for each correct figure with understandable label as indicated.</p> <table border="1" data-bbox="304 353 1273 1608"> <thead> <tr> <th colspan="4" data-bbox="304 353 1273 465" style="text-align: center;">Simon Statement of profit or loss for the year ended 31 December 2017</th> </tr> <tr> <th data-bbox="304 465 778 499"></th> <th data-bbox="778 465 970 499" style="text-align: center;">\$</th> <th data-bbox="970 465 1141 499" style="text-align: center;">\$</th> <th data-bbox="1141 465 1273 499"></th> </tr> </thead> <tbody> <tr> <td data-bbox="304 499 778 577">Revenue</td> <td data-bbox="778 499 970 577"></td> <td data-bbox="970 499 1141 577" style="text-align: right;">289 925</td> <td data-bbox="1141 499 1273 577" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="304 577 778 611">Cost of sales</td> <td data-bbox="778 577 970 611"></td> <td data-bbox="970 577 1141 611"></td> <td data-bbox="1141 577 1273 611"></td> </tr> <tr> <td data-bbox="304 611 778 645">Opening inventory</td> <td data-bbox="778 611 970 645" style="text-align: right;">28 950</td> <td data-bbox="970 611 1141 645"></td> <td data-bbox="1141 611 1273 645" style="text-align: center;">*</td> </tr> <tr> <td data-bbox="304 645 778 723">Purchases</td> <td data-bbox="778 645 970 723" style="text-align: right;">188 400</td> <td data-bbox="970 645 1141 723"></td> <td data-bbox="1141 645 1273 723" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="304 723 778 801">Goods for personal consumption</td> <td data-bbox="778 723 970 801" style="text-align: right;">(2 375)</td> <td data-bbox="970 723 1141 801"></td> <td data-bbox="1141 723 1273 801" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="304 801 778 835">Carriage inwards</td> <td data-bbox="778 801 970 835" style="text-align: right;">1 825</td> <td data-bbox="970 801 1141 835"></td> <td data-bbox="1141 801 1273 835" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="304 835 778 947">Closing 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1238"></td> <td data-bbox="970 1160 1141 1238" style="text-align: right;">225</td> <td data-bbox="1141 1160 1273 1238" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="304 1238 778 1272">Discount received</td> <td data-bbox="778 1238 970 1272"></td> <td data-bbox="970 1238 1141 1272" style="text-align: right;">1 050</td> <td data-bbox="1141 1238 1273 1272" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="304 1272 778 1305"></td> <td data-bbox="778 1272 970 1305"></td> <td data-bbox="970 1272 1141 1305" style="text-align: right;">108 150</td> <td data-bbox="1141 1272 1273 1305"></td> </tr> <tr> <td data-bbox="304 1305 778 1339">Expenses</td> <td data-bbox="778 1305 970 1339"></td> <td data-bbox="970 1305 1141 1339"></td> <td data-bbox="1141 1305 1273 1339"></td> </tr> <tr> <td data-bbox="304 1339 778 1373">Loss on disposal</td> <td data-bbox="778 1339 970 1373" style="text-align: right;">1 260</td> <td data-bbox="970 1339 1141 1373"></td> <td data-bbox="1141 1339 1273 1373" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="304 1373 778 1406">Depreciation charge</td> <td data-bbox="778 1373 970 1406" style="text-align: right;">2 150</td> <td data-bbox="970 1373 1141 1406"></td> <td data-bbox="1141 1373 1273 1406" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="304 1406 778 1440">General expenses</td> <td data-bbox="778 1406 970 1440" style="text-align: right;">19 500</td> <td data-bbox="970 1406 1141 1440"></td> <td data-bbox="1141 1406 1273 1440" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="304 1440 778 1473">Wages and salaries</td> <td data-bbox="778 1440 970 1473" style="text-align: right;">35 100</td> <td data-bbox="970 1440 1141 1473"></td> <td data-bbox="1141 1440 1273 1473" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="304 1473 778 1507">Bank interest</td> <td data-bbox="778 1473 970 1507" style="text-align: right;">400</td> <td data-bbox="970 1473 1141 1507"></td> <td 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150		Expenses				Loss on disposal	1 260		(1)	Depreciation charge	2 150		(1)	General expenses	19 500		(1)	Wages and salaries	35 100		(1)	Bank interest	400		(1)			(58 410)		Profit for the year		49 740	(1of)	(15)
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Question Number	Answer AO1 (1)	Mark
1(b)	<p>Award 1 mark for correct answer. Maximum 1 mark.</p> <p>To present the information for economic decision making to the stakeholders (1)</p> <p>To calculate profit or loss for the year (1)</p> <p>To assess the performance of the business (1)</p> <p>To assess the financial position of the business (1)</p> <p>Accept any other appropriate responses.</p>	(1)

Question Number	Answer AO1 (2)	Mark
1(c)	<p>Award 1 mark for each correct answer. Maximum 2 marks.</p> <p>Owner keeps full control (1)</p> <p>Easy to set up (1)</p> <p>No sharing of profits (1)</p> <p>Accept any other appropriate responses.</p>	(2)

Question Number	Answer AO1 (1)	Mark
1(d)	<p>Award 1 mark for correct answer.</p> <p>To know the continuity of the products and services (1)</p> <p>Accept any other appropriate responses.</p>	(1)

Total for Question 1 = 19 marks

Question Number	Answer AO1 (2)	Mark
2(a)	Award 1 mark for each correct answer. Maximum 2 marks. <ul style="list-style-type: none"> To check arithmetical accuracy of the accounts (1) To help to prepare the financial statements (1) 	(2)

Question Number	Answer AO2 (3)	Mark
2(b)	Award 1 mark for each correct figure as indicated. Inventory = \$65 450 Product AMAX = \$1 875 (1) Product BTAX = <u>\$5 800</u> (1) Total = \$73 125 (1of)	(3)

Additional guidance
 No specific layout required
 Correct answer only scores 3 marks

Question Number	Answer AO2 (2)	Mark
2(c)	Award 1 mark for each correct figure as indicated \$2 600 (1) - \$1 950 = \$650 (1of) .	(2)

Additional guidance
 No specific layout required
 Correct answer only scores 2 marks

Question Number	Answer AO2 (11)					Mark
2(d)	Award 1 mark for each correct figure against correct label as indicated					(11)
Ragini						
Extended trial balance at 31 October 2017						
Ledger Accounts	Trial balance		Adjustments		Statement of profit or loss	
	Debit \$	Credit \$	Debit \$	Credit \$	Debit \$	Credit \$
Allowance for doubtful debts		1 950		650 (1)		
Discount allowed	2 875		460 (1)		3 335 (1of)	
Suspense	460			460		
Trade payables		45 000				
Trade receivables	55 000			3 000 (1)		
Allowance for doubtful debts adjustment			650 (1)		650 (1of)	
Closing inventory-statement of financial position			73 125 (1of from b)			
Closing inventory-statement of profit or loss				73 125 (1 of from (b))		73 125 (1of)
Irrecoverable debts			3 000 (1)		3 000 (1)	

Question Number	Answer AO2 (2)					Mark
2(e)	Award 1 mark for each correct figure as indicated					
	Concept Accruals/Prudence (1)					
	Explanation To match the income earned with the expenses incurred during the period Or Provide for anticipated losses and ignore anticipated profits till realised (1)					
						(2)

Total for Question 2 = 20 marks

Question Number	Answer AO1 (1) AO3 (1)	Mark
3(a)	<p>Award 1 mark for identifying the point and 1 mark for linked justification /reasoning.</p> <p>A current account is used to record day-to-day transactions to identify the partners' liability to the business (1). A capital account is used to record transactions which are fixed in nature (1)</p>	(2)

Question Number	Answer AO2 (1)	Mark
3(b)	<p>Award 1 mark as indicated.</p> <p>\$22 500 (1)</p>	(1)

Question Number	Answer AO2 (2)	Mark
3(c)	<p>Award 1 mark as indicated.</p> <p>(4 500) + 17 400 (1) =\$12 900 (1of)</p>	(2)

Additional Guidance
 No specific layout required
 Correct answer scores only scores 2 marks.

Question Number	Answer AO2 (7)	Mark																														
3(d)	<p>Award 1 mark for each correct figure as indicated. Award 1 mark for all correct labels and dates. Capital Account- Charlie</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>31 October 2017</td> <td>Loan</td> <td>50 000 (1)</td> <td>1 November 2016</td> <td>Balance b/d</td> <td>75 000 (1)</td> </tr> <tr> <td></td> <td>Revaluation</td> <td>12 400 (1)</td> <td>31 October 2017</td> <td>Goodwill</td> <td>22 500 (1of from b)</td> </tr> <tr> <td></td> <td>Cash book(Bank)</td> <td>48 000 (1of)</td> <td></td> <td>Current</td> <td>12 900 (1of from c)</td> </tr> <tr> <td></td> <td></td> <td>110 400</td> <td></td> <td></td> <td>110 400</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	31 October 2017	Loan	50 000 (1)	1 November 2016	Balance b/d	75 000 (1)		Revaluation	12 400 (1)	31 October 2017	Goodwill	22 500 (1of from b)		Cash book(Bank)	48 000 (1of)		Current	12 900 (1of from c)			110 400			110 400	(7)
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Additional guidance
 Accept the dates in short form.

Question Number	Answer AO1 (1) AO3 (1)	Mark
3(e)	<p>Award 1 mark for identifying the ratio and 1 mark for linked explanation.</p> <p>Return on capital employed (1)</p> <p>It measures the return on the amount invested by Charlie (1)</p>	(2)
<p>Additional guidance: Accept: Gross profit percentage/margin. Profit for the year as a percentage of revenue. Accept if the ratio is stated in the formula.</p>		

Question Number	Answer AO1 (2)	Mark
3(f)	<p>Award 1 mark for each correct difference, up to a maximum of 2 marks.</p> <p>Private limited companies need only one director/public limited companies need a minimum of two directors/ (1)</p> <p>Private limited companies do not need any minimum authorised capital/public limited companies need a minimum (1)</p> <p>Private limited shares are sold among family and friends/public limited company shares are traded on the stock exchange (1)</p> <p>Accept any other appropriate responses.</p>	(2)

Question Number	Answer AO1 (1) AO3 (1)	Mark
3(g)	<p>Award 1 mark for an advantage and 1 mark for linked justification/reasoning.</p> <ul style="list-style-type: none"> • Possibility to raise more funds/finance (1) as the shares can be issued to family members and friends (1) <p>Accept any other appropriate responses.</p>	(2)

Total for Question 3 = 18 marks

Question Number	Answer AO2 (4)	Mark																														
4(a)	<p>Award 1 mark for each correct figure as indicated. Award 1 mark for all correct labels and dates.</p> <p style="text-align: center;">Plant and Equipment - Cost Account</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>1 January 2017</td> <td>Balance b/d</td> <td>560 000</td> <td>30 November 2017</td> <td>Disposal</td> <td>35 000 (1)</td> </tr> <tr> <td>31 December 2017</td> <td>Cash book (Bank)</td> <td>262 000 (1of)</td> <td>31 December 2017</td> <td>Balance c/d</td> <td>787 000</td> </tr> <tr> <td></td> <td></td> <td>822 000</td> <td></td> <td></td> <td>822 000</td> </tr> <tr> <td>1 January 2018</td> <td>Balance b/d</td> <td>787 000 (1)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	1 January 2017	Balance b/d	560 000	30 November 2017	Disposal	35 000 (1)	31 December 2017	Cash book (Bank)	262 000 (1of)	31 December 2017	Balance c/d	787 000			822 000			822 000	1 January 2018	Balance b/d	787 000 (1)				(4)
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Question Number	Answer AO2 (4)	Mark																														
4(b)	<p>Award 1 mark for each correct figure as indicated. Award 1 mark for all correct labels and dates.</p> <p style="text-align: center;">Plant and Equipment – Accumulated Depreciation Account</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>30 November 2017</td> <td>Disposal</td> <td>2 750 (1)</td> <td>1 January 2017</td> <td>Balance b/d</td> <td>57 500</td> </tr> <tr> <td>31 December 2017</td> <td>Balance c/d</td> <td>106 000</td> <td>31 December 2017</td> <td>Depreciation charge (expense)</td> <td>51 250 (1of)</td> </tr> <tr> <td></td> <td></td> <td>108 750</td> <td></td> <td></td> <td>108 750</td> </tr> <tr> <td></td> <td></td> <td></td> <td>1 January 2018</td> <td>Balance b/d</td> <td>106 000 (1)</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	30 November 2017	Disposal	2 750 (1)	1 January 2017	Balance b/d	57 500	31 December 2017	Balance c/d	106 000	31 December 2017	Depreciation charge (expense)	51 250 (1of)			108 750			108 750				1 January 2018	Balance b/d	106 000 (1)	(4)
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Additional guidance

Accept the dates in short form.

Question Number	Answer AO2 (6)	Mark																		
4(c)	<p>Award marks for correct figures with understandable labels as indicated.</p> <table border="1" data-bbox="300 443 1410 1128"> <thead> <tr> <th colspan="2" data-bbox="300 443 1410 584"> Malbik Ltd Reconciliation of profit of the year to net cash from operating activities for the year ended 31 December 2017 </th> </tr> <tr> <th data-bbox="300 591 1038 622"></th> <th data-bbox="1043 591 1410 622" style="text-align: right;">\$</th> </tr> </thead> <tbody> <tr> <td data-bbox="300 629 1038 692">Profit for the year</td> <td data-bbox="1043 629 1410 692" style="text-align: right;">138 425</td> </tr> <tr> <td data-bbox="300 698 1038 761">Depreciation for the year</td> <td data-bbox="1043 698 1410 761" style="text-align: right;">51 250 (1of)</td> </tr> <tr> <td data-bbox="300 768 1038 831">Loss on disposal of equipment</td> <td data-bbox="1043 768 1410 831" style="text-align: right;">2 250 (1)</td> </tr> <tr> <td data-bbox="300 837 1038 900">Increase in inventory</td> <td data-bbox="1043 837 1410 900" style="text-align: right;">(7 850) (1)</td> </tr> <tr> <td data-bbox="300 907 1038 969">Decrease in trade receivables</td> <td data-bbox="1043 907 1410 969" style="text-align: right;">2 500 (1)</td> </tr> <tr> <td data-bbox="300 976 1038 1039">Decrease in trade payables</td> <td data-bbox="1043 976 1410 1039" style="text-align: right;">(1 025) (1)</td> </tr> <tr> <td data-bbox="300 1046 1038 1128">Net cash from operating activities</td> <td data-bbox="1043 1046 1410 1128" style="text-align: right;">185 550 (1of)</td> </tr> </tbody> </table>	Malbik Ltd Reconciliation of profit of the year to net cash from operating activities for the year ended 31 December 2017			\$	Profit for the year	138 425	Depreciation for the year	51 250 (1of)	Loss on disposal of equipment	2 250 (1)	Increase in inventory	(7 850) (1)	Decrease in trade receivables	2 500 (1)	Decrease in trade payables	(1 025) (1)	Net cash from operating activities	185 550 (1of)	(6)
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4(d)	<p>Award marks for correct figures with understandable labels as indicated.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: center;">Malbik Ltd</th> </tr> <tr> <th colspan="3" style="text-align: center;">Statement of cash flows for the year ended 31 December 2017</th> </tr> <tr> <th></th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Net cash from operating activities</td> <td></td> <td style="text-align: right;">185 550</td> </tr> <tr> <td>Investing activities</td> <td></td> <td></td> </tr> <tr> <td>Acquisition of plant and equipment</td> <td style="text-align: right;">(262 000) (1of) from (a)</td> <td></td> </tr> <tr> <td>Disposal of equipment</td> <td style="text-align: right;">30 000</td> <td></td> </tr> <tr> <td>Net cash used in investing activities</td> <td></td> <td style="text-align: right;">(232 000) (1of)</td> </tr> <tr> <td>Financing activities</td> <td></td> <td></td> </tr> <tr> <td>Repayment of debentures</td> <td style="text-align: right;">(150 000)</td> <td rowspan="2" style="text-align: right;">(1 for both)</td> </tr> <tr> <td>Debentures issued</td> <td style="text-align: right;">300 000</td> </tr> <tr> <td>Dividend paid</td> <td style="text-align: right;">(80 000) (1)</td> <td></td> </tr> <tr> <td>Net cash from financing activities</td> <td></td> <td style="text-align: right;">70 000 (1of)</td> </tr> <tr> <td>Net increase in cash and cash equivalents</td> <td></td> <td style="text-align: right;">23 550 (1)</td> </tr> <tr> <td>Cash and cash equivalents at the beginning of the year</td> <td></td> <td style="text-align: right;">*(13 550)</td> </tr> <tr> <td>Cash and cash equivalents at the end of the year</td> <td></td> <td style="text-align: right;">*10 000 *(1for both)</td> </tr> </tbody> </table>	Malbik Ltd			Statement of cash flows for the year ended 31 December 2017				\$	\$	Net cash from operating activities		185 550	Investing activities			Acquisition of plant and equipment	(262 000) (1of) from (a)		Disposal of equipment	30 000		Net cash used in investing activities		(232 000) (1of)	Financing activities			Repayment of debentures	(150 000)	(1 for both)	Debentures issued	300 000	Dividend paid	(80 000) (1)		Net cash from financing activities		70 000 (1of)	Net increase in cash and cash equivalents		23 550 (1)	Cash and cash equivalents at the beginning of the year		*(13 550)	Cash and cash equivalents at the end of the year		*10 000 *(1for both)	(7)
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Total for Question 4 = 21 marks

Question Number	Answer AO2 (3)	Mark
5(a)	Award marks as indicated \$690 000 (1) x (30/360) (1) = \$57 500 (1of)	(3)
Additional Guidance No specific layout required Correct answer only scores 3 marks.		

Question Number	Answer AO2 (1)	Mark
5(b)	Award marks as indicated \$55 000 (1)	(1)
Additional Guidance No specific layout required Correct answer only scores 1 mark.		

Question Number	Answer AO2 (8)	Mark																																																									
5(c)	<p>Award marks for each correct figure with understandable label as indicated.</p> <p style="text-align: center;">Aung Statement of financial Position at 31 December 2017</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">\$</th> <th></th> </tr> </thead> <tbody> <tr> <td colspan="3">Assets</td> </tr> <tr> <td colspan="3">Non-current assets</td> </tr> <tr> <td>Property, plant and equipment</td> <td style="text-align: right;">220 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td colspan="3">Current assets</td> </tr> <tr> <td>Inventory</td> <td style="text-align: right;">32 300</td> <td style="text-align: right;">(1of bal fig)</td> </tr> <tr> <td>Trade receivables</td> <td style="text-align: right;">57 500</td> <td></td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">11 450</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">101 250</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">321 250</td> <td></td> </tr> <tr> <td colspan="3">Equity and liabilities</td> </tr> <tr> <td colspan="3">Equity</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">269 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Profit for the year</td> <td style="text-align: right;">34 500</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Drawings</td> <td style="text-align: right;">(49 750)</td> <td style="text-align: right;">(1of bal fig)</td> </tr> <tr> <td>Total equity</td> <td style="text-align: right;">253 750</td> <td style="text-align: right;">(1of)</td> </tr> <tr> <td colspan="3">Current liabilities</td> </tr> <tr> <td>Trade payables</td> <td style="text-align: right;">67 500</td> <td></td> </tr> <tr> <td>Total equity and liabilities</td> <td style="text-align: right;">321 250</td> <td style="text-align: right;">(1of)</td> </tr> </tbody> </table>		\$		Assets			Non-current assets			Property, plant and equipment	220 000	(1)	Current assets			Inventory	32 300	(1of bal fig)	Trade receivables	57 500		Cash and cash equivalents	11 450			101 250	(1)	Total assets	321 250		Equity and liabilities			Equity			Equity	269 000	(1)	Profit for the year	34 500	(1)	Drawings	(49 750)	(1of bal fig)	Total equity	253 750	(1of)	Current liabilities			Trade payables	67 500		Total equity and liabilities	321 250	(1of)	(8)
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Question Number	Answer AO4 (4) AO5 (1)	Mark
5(d)	<p>Award 1 mark for analysis of each ratio up to a maximum of 4 marks Award 1 mark for evaluation Evaluation mark can only be awarded if at least two ratios are analysed.</p> <p>Profit for the year to revenue percentage/margin of Soha is better compared to Aung indicating Soha has better control over her operating expenses (1).</p> <p>Current ratio of both businesses suggest that they can pay their short-term liabilities from their current assets (1).</p> <p>Trade receivables collection period for Soha's business indicates a better credit control system (1).</p> <p>Trade payables payment period for Soha's business is making full use of free credit available from suppliers (1).</p> <p>Any supported evaluation (1)</p> <p>Accept any other appropriate responses.</p>	(5)
<p>Additional guidance Accept answers from either perspective.</p>		

Question Number	Answer AO3 (4) AO5 (1)	Mark
5(e)	<p>Award 1 mark for each correctly identified point up to a maximum of 4 marks. Award 1 mark for a supported decision.</p> <p>The free holiday will compromise the principle of objectivity (1).</p> <p>Recording the claim for safe disposal as an expense without incurring it will compromise the principle of integrity (1).</p> <p>An unsafe disposal of chemical waste puts the environment and public at risk according to concept of public interest (1).</p> <p>Public interest takes priority over the principle of confidentiality (1).</p> <p>The accountant should not accept the free holiday/should report to the authorities (1).</p>	(5)

Total for Question 5 = 22 marks

TOTAL FOR PAPER = 100 MARKS