



GCE

Accounting

Advanced Subsidiary GCE

Unit **F011**: Accounting Principles

Mark Scheme for June 2013

OCR (Oxford Cambridge and RSA) is a leading UK awarding body, providing a wide range of qualifications to meet the needs of candidates of all ages and abilities. OCR qualifications include AS/A Levels, Diplomas, GCSEs, Cambridge Nationals, Cambridge Technicals, Functional Skills, Key Skills, Entry Level qualifications, NVQs and vocational qualifications in areas such as IT, business, languages, teaching/training, administration and secretarial skills.

It is also responsible for developing new specifications to meet national requirements and the needs of students and teachers. OCR is a not-for-profit organisation; any surplus made is invested back into the establishment to help towards the development of qualifications and support, which keep pace with the changing needs of today's society.

This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.








All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

OCR will not enter into any discussion or correspondence in connection with this mark scheme.

© OCR 2013

Annotations

Annotation	Meaning
	Unclear
	Benefit of doubt
	Cross
	Own figure rule
	Repeat
	Noted but no credit given
	Tick

Subject-specific Marking Instructions

Every working box – whether it contains working or not – must be stamped as ‘seen’.

Blank answer space

To be sure you have not missed any candidate responses you must check every page of the question paper and annotate any blank answer spaces with the following annotations:

**Additional Objects**

You must check any additional pages (shown as Additional Objects) which the candidate has chosen to use.

Before you begin marking, use the Linking Tool, to ‘Link’ any additional page(s) to the relevant question(s) and mark the response as normal.

All additional pages must be annotated with the 'SEEN' stamp, so it is clear to the centres that the additional pages have been viewed by the marker.

MARK SCHEME

Question	Answer	Marks	Guidance																																																																																																								
1 *	<p><u>Ben Collier</u> <u>Trading and Profit and Loss Account for the year ended 31 March 2013</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Sales</td> <td style="width: 15%; text-align: right;">185,800</td> <td style="width: 10%;"></td> <td style="width: 15%;"></td> </tr> <tr> <td>Sales returns</td> <td style="text-align: right;">1,205</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">184,595</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td>Opening stock</td> <td style="text-align: right;">24,370</td> <td></td> <td></td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">94,800</td> <td></td> <td></td> </tr> <tr> <td>Carriage inwards</td> <td style="text-align: right;">800</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td>Purchase returns</td> <td style="text-align: right;">2,420</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">117,550</td> <td></td> <td></td> </tr> <tr> <td>Drawings</td> <td style="text-align: right;">2,700</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">5,450</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">109,400</td> <td></td> <td></td> </tr> <tr> <td>Closing stock</td> <td style="text-align: right;">33,750</td> <td></td> <td></td> </tr> <tr> <td>Cost of sales</td> <td style="text-align: right; border-top: 1px solid black;">75,650</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td>Gross Profit</td> <td style="text-align: right;">108,945</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td>Commission received</td> <td style="text-align: right;">3,000</td> <td style="text-align: right;">(2)</td> <td></td> </tr> <tr> <td>Discounts received</td> <td style="text-align: right;">1,280</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">113,225</td> <td></td> <td></td> </tr> <tr> <td>Electricity</td> <td style="text-align: right;">5,250</td> <td></td> <td></td> </tr> <tr> <td>Motor expenses</td> <td style="text-align: right;">3,150</td> <td></td> <td></td> </tr> <tr> <td>Discounts allowed</td> <td style="text-align: right;">1,325</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td>Bad debts</td> <td style="text-align: right;">780</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td>Provision for doubtful debts</td> <td style="text-align: right;">100</td> <td style="text-align: right;">(2)</td> <td></td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">36,180</td> <td style="text-align: right;">(2)</td> <td></td> </tr> <tr> <td>Insurance</td> <td style="text-align: right;">8,800</td> <td style="text-align: right;">(2)</td> <td></td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">16,000</td> <td style="text-align: right;">(2)</td> <td></td> </tr> <tr> <td>General expenses</td> <td style="text-align: right;">8,970</td> <td style="text-align: right;">(2)</td> <td></td> </tr> </table>	Sales	185,800			Sales returns	1,205				184,595	(1)		Opening stock	24,370			Purchases	94,800			Carriage inwards	800	(1)		Purchase returns	2,420	(1)			117,550			Drawings	2,700	(1)		Equipment	5,450	(1)			109,400			Closing stock	33,750			Cost of sales	75,650	(1)		Gross Profit	108,945	(1)		Commission received	3,000	(2)		Discounts received	1,280	(1)			113,225			Electricity	5,250			Motor expenses	3,150			Discounts allowed	1,325	(1)		Bad debts	780	(1)		Provision for doubtful debts	100	(2)		Salaries	36,180	(2)		Insurance	8,800	(2)		Rent	16,000	(2)		General expenses	8,970	(2)		43	<p>In all questions accept international terminology. Horizontal format as well as vertical format acceptable for both P&L a/c and B/S. All marks are for figure plus reasonable narrative. Where marks are given for sub totals or totals, these are for the correct figure only i.e. they are NOT own figure unless specifically indicated.</p> <p>Adjustments for carriage inwards, purchase returns drawings and equipment must appear above closing stock. If purchases figure includes adjustment for purchases returns, 92,380(1). Other permutations are possible/acceptable e.g. 92,100(1) 89,350 (1) 86,650 (2) 86,930</p>
Sales	185,800																																																																																																										
Sales returns	1,205																																																																																																										
	184,595	(1)																																																																																																									
Opening stock	24,370																																																																																																										
Purchases	94,800																																																																																																										
Carriage inwards	800	(1)																																																																																																									
Purchase returns	2,420	(1)																																																																																																									
	117,550																																																																																																										
Drawings	2,700	(1)																																																																																																									
Equipment	5,450	(1)																																																																																																									
	109,400																																																																																																										
Closing stock	33,750																																																																																																										
Cost of sales	75,650	(1)																																																																																																									
Gross Profit	108,945	(1)																																																																																																									
Commission received	3,000	(2)																																																																																																									
Discounts received	1,280	(1)																																																																																																									
	113,225																																																																																																										
Electricity	5,250																																																																																																										
Motor expenses	3,150																																																																																																										
Discounts allowed	1,325	(1)																																																																																																									
Bad debts	780	(1)																																																																																																									
Provision for doubtful debts	100	(2)																																																																																																									
Salaries	36,180	(2)																																																																																																									
Insurance	8,800	(2)																																																																																																									
Rent	16,000	(2)																																																																																																									
General expenses	8,970	(2)																																																																																																									

F011

Mark Scheme

June 2013

Question	Answer	Marks	Guidance
	Loan interest 2,000 (2)		(2)
	Depreciation: Equipment 3,230 (2)		
	Motor vehicles <u>2,625</u> (2)		
		88,410 (1)	Accept combined total for Depreciation i.e. 5,855(4).
	Net Profit	<u>24,815</u> (1)	
	<u>Balance Sheet as at 31 March 2013</u>		
	<u>Fixed Assets</u>		
	Equipment	21,015	
	Motor vehicles	<u>7,875</u>	
		28,890 (1)	
	<u>Current Assets</u>		
	Stock	33,750	
	Debtors	17,400 (2)	Where (2) marks are available the total must be shown and no part marks should be awarded.
	Commission received	2,370 (1)	
	Prepaid insurance	2,200 (1)	
	Bank	<u>21,350</u> (1)	
		77,070	
	<u>Current Liabilities</u>		
	Creditors	17,220	
	Loan interest	500 (1)	Accept combined totals for accrued expenses and loan interest e.g. 7,015(2), 7,515(3).
	Accrued salaries	3,015 (1)	
	Accrued rent	<u>4,000</u> (1)	
		24,735 (1)	
	Working Capital	<u>52,335</u>	
		81,225	
	<u>Less: Long Term Liabilities</u>		

F011

Mark Scheme

June 2013

Question		Answer									Marks	Guidance																																																																						
2	(a)	<table border="1"> <thead> <tr> <th>Date</th> <th>Details</th> <th>Disc</th> <th>Cash</th> <th>Bank</th> <th>Date</th> <th>Details</th> <th>Disc</th> <th>Cash</th> <th>Bank</th> </tr> </thead> <tbody> <tr> <td>1/3</td> <td>Balance b/d</td> <td></td> <td>320 (1)</td> <td></td> <td>1/3</td> <td>Balance b/d</td> <td></td> <td></td> <td>1,050 (1)</td> </tr> <tr> <td>3/3</td> <td>Alan Baker</td> <td>5</td> <td>(line)</td> <td>95 (1)</td> <td>2/3</td> <td>Marie Costa</td> <td>6</td> <td>194 (1)</td> <td>(line)</td> </tr> <tr> <td>4/3</td> <td>Kate Davis</td> <td></td> <td></td> <td>140 (1)</td> <td>3/3</td> <td>Fix. and fit.</td> <td></td> <td></td> <td>2,000 (1)</td> </tr> <tr> <td>7/3</td> <td>Balance c/d</td> <td></td> <td></td> <td>2,815 (1)</td> <td>4/3</td> <td>Stationery</td> <td></td> <td>22 (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td>5</td> <td>320</td> <td>3,050</td> <td>7/3</td> <td>Balance c/d</td> <td></td> <td>104 (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>6</td> <td>320</td> <td>3,050</td> </tr> </tbody> </table>									Date	Details	Disc	Cash	Bank	Date	Details	Disc	Cash	Bank	1/3	Balance b/d		320 (1)		1/3	Balance b/d			1,050 (1)	3/3	Alan Baker	5	(line)	95 (1)	2/3	Marie Costa	6	194 (1)	(line)	4/3	Kate Davis			140 (1)	3/3	Fix. and fit.			2,000 (1)	7/3	Balance c/d			2,815 (1)	4/3	Stationery		22 (1)				5	320	3,050	7/3	Balance c/d		104 (1)									6	320	3,050	9	<p>(Q2) All parts:- All marks are for figure plus reasonable narrative on the correct debit or credit side. For Q2(a) &(b) the workings boxes must be checked and marked as seen. Q2 (a):- Where a mark is awarded for Balance b/d the following are also acceptable – Bal b/d, Balance b/f, Bal b/f. DO NOT accept Balance or Bal without b/d or b/f or vice versa. This principle also applies for Balance c/d. accept P&L. There are no (of) marks for this question.</p>
		Date	Details	Disc	Cash	Bank	Date	Details	Disc	Cash	Bank																																																																							
1/3	Balance b/d		320 (1)		1/3	Balance b/d			1,050 (1)																																																																									
3/3	Alan Baker	5	(line)	95 (1)	2/3	Marie Costa	6	194 (1)	(line)																																																																									
4/3	Kate Davis			140 (1)	3/3	Fix. and fit.			2,000 (1)																																																																									
7/3	Balance c/d			2,815 (1)	4/3	Stationery		22 (1)																																																																										
		5	320	3,050	7/3	Balance c/d		104 (1)																																																																										
							6	320	3,050																																																																									
(b)	(i)	<table border="1"> <thead> <tr> <th colspan="2">Alan Baker</th> <th colspan="2"></th> </tr> </thead> <tbody> <tr> <td>Balance b/d</td> <td>100</td> <td>Bank</td> <td>95 (1)</td> </tr> <tr> <td></td> <td></td> <td>Discounts allowed</td> <td>5 (1)</td> </tr> <tr> <td></td> <td><u>100</u></td> <td></td> <td><u>100</u></td> </tr> </tbody> </table>									Alan Baker				Balance b/d	100	Bank	95 (1)			Discounts allowed	5 (1)		<u>100</u>		<u>100</u>	2	Allow 'Discount' only																																																						
Alan Baker																																																																																		
Balance b/d	100	Bank	95 (1)																																																																															
		Discounts allowed	5 (1)																																																																															
	<u>100</u>		<u>100</u>																																																																															

F011

Mark Scheme

June 2013

Question		Answer		Marks	Guidance																			
	(ii)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="4" style="text-align: center; border-top: 1px solid black;">Marie Costa</td> </tr> <tr> <td style="width: 30%;">Cash</td> <td style="width: 10%; text-align: right;">194</td> <td style="width: 10%; border-left: 1px solid black;">(1)</td> <td style="width: 50%;">Balance b/d</td> <td style="width: 10%; text-align: right;">200</td> </tr> <tr> <td>Discounts received</td> <td style="text-align: right;">6</td> <td style="border-left: 1px solid black;">(1)</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">200</td> <td style="border-left: 1px solid black;"></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">200</td> </tr> </table>		Marie Costa				Cash	194	(1)	Balance b/d	200	Discounts received	6	(1)				200			200	2	Allow 'Discount' only
Marie Costa																								
Cash	194	(1)	Balance b/d	200																				
Discounts received	6	(1)																						
	200			200																				
	(iii)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="4" style="text-align: center; border-top: 1px solid black;">Discounts Allowed</td> </tr> <tr> <td style="width: 30%;">Per Cash Book</td> <td style="width: 10%; text-align: right;">5</td> <td style="width: 10%; border-left: 1px solid black;">(1)</td> <td style="width: 50%;">Balance c/d</td> <td style="width: 10%; text-align: right;">5</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">5</td> <td style="border-left: 1px solid black;"></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">5</td> </tr> </table>		Discounts Allowed				Per Cash Book	5	(1)	Balance c/d	5		5			5	1	Allow 'Total for period'					
Discounts Allowed																								
Per Cash Book	5	(1)	Balance c/d	5																				
	5			5																				
	(iv)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="4" style="text-align: center; border-top: 1px solid black;">Discounts Received</td> </tr> <tr> <td style="width: 30%;">Balance c/d</td> <td style="width: 10%; text-align: right;">6</td> <td style="width: 10%;"></td> <td style="width: 50%;">Per Cash Book</td> <td style="width: 10%; text-align: right;">6</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">6</td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">6</td> </tr> </table>		Discounts Received				Balance c/d	6		Per Cash Book	6		6			6	1	Mark for figure only on Dr side. Allow 'Total for period'					
Discounts Received																								
Balance c/d	6		Per Cash Book	6																				
	6			6																				
(c)	(i)	The estimated value of a fixed asset after it has been fully depreciated or at the anticipated time of disposal. (1 for point plus up to 1 for development) Max 2		2	Do Not award marks for basic explanation of NBV.																			
	(ii)	The fixed asset is still fully functioning but is no longer of use to the business because of advances in technology making the fixed asset redundant. An appropriate example. (1 for point plus up to 2 for development) Max 3		3																				
	(iii)	The fixed asset is no longer new/has been used so may be worn, rusty etc. and in need of more repair and maintenance. Wear and tear. (1 for point plus up to 2 for development) Max 3		3																				

F011

Mark Scheme

June 2013

Question	Answer	Marks	Guidance
(d)*	<p>Land and Buildings:</p> <p>No need to depreciate land unless problems with depletion etc. Over time land usually increases in value. 10% per annum indicates that Rita Mae's land and buildings only have a useful life of 10 years. Business premises usually have longer life than this, rates of 4% (25 year life) or 2% (50 year life) are more typical. If land and building values do fall they tend to do so at a relatively even rate so the straight line method would be appropriate.</p> <p>Motor vehicles:</p> <p>Motor vehicles tend to lose value relatively quickly and also lose more value in the earlier years of ownership. The existing method does not seem appropriate as it depreciates motor vehicles by the same amount each year and assumes that they have a 10 year useful life whereas, three to five years is more typical depending on the type of business. Reducing balance method would be more appropriate for motor vehicles as it creates a higher depreciation charge in the early years of a fixed asset's life. For motor vehicles the lower amount of depreciation per annum as they get older is offset by increased repair and maintenance costs.</p> <p>(4 x3 marks) (1 for point plus up to 2 for development) Max 10</p> <p style="text-align: right;">QWC</p>	<p>10</p> <p>2</p>	
	Total Marks	35	

OCR (Oxford Cambridge and RSA Examinations)
1 Hills Road
Cambridge
CB1 2EU

OCR Customer Contact Centre

Education and Learning

Telephone: 01223 553998

Facsimile: 01223 552627

Email: general.qualifications@ocr.org.uk

www.ocr.org.uk

For staff training purposes and as part of our quality assurance programme your call may be recorded or monitored

Oxford Cambridge and RSA Examinations
is a Company Limited by Guarantee
Registered in England
Registered Office; 1 Hills Road, Cambridge, CB1 2EU
Registered Company Number: 3484466
OCR is an exempt Charity

OCR (Oxford Cambridge and RSA Examinations)
Head office
Telephone: 01223 552552
Facsimile: 01223 552553

© OCR 2013

