



GCE

Accounting

Unit **F012**: Accounting Applications

Advanced Subsidiary GCE

Mark Scheme for June 2017

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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.

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Question		Answer		Mark	Guidance
1	(a)			14	
		(i) Purchases Suspense	Dr 8,400 (1)	Cr 8,400 (1)	<p>Must show tick where marks are awarded.</p> <p>Click Seen at the bottom of each page to show that it has been reviewed.</p> <p>All marks for all questions are for correct value and reasonable narrative.</p> <p>Must be correct figure and details for mark. Must identify as to whether debit or credit if not set out in correct format. Reversed entries no mark. If shown in T account half marks.</p> <p>Must state name of account not just the ledger or Purchases Journal</p> <p>Must show the name of the creditor not just 'creditor'.</p> <p>Bank – can allow cash book but not cash</p>
		(ii) Ava Sales	3,100 (1)	3,100 (1)	
		(iii) Suspense General expenses	6,200 (1)	6,200 (1)	
		Suspense Rent received	6,200 (1)	6,200 (1)	
		(iv) Suspense Bank	1,000 (1)	1,000 (1)	
		(v) Machinery Machine repairs	24,000 (1)	24,000 (1)	
		(vi) Purchases Bertie	900 (1)	900 (1)	

Question	Answer	Mark	Guidance																				
(b)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center;">Suspense Account</th> </tr> </thead> <tbody> <tr> <td style="width: 30%;">General expenses</td> <td style="width: 15%; text-align: right;">6,200 (1)</td> <td style="width: 30%;">Balance b/d</td> <td style="width: 25%; text-align: right;">5,000 (1)</td> </tr> <tr> <td>Rent received</td> <td style="text-align: right;">6,200 (1)</td> <td>Purchases</td> <td style="text-align: right;">8,400 (1)</td> </tr> <tr> <td>Bank</td> <td style="text-align: right;">1,000 (1)</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;"><u>13,400</u></td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;"><u>13,400</u></td> </tr> </tbody> </table>	Suspense Account				General expenses	6,200 (1)	Balance b/d	5,000 (1)	Rent received	6,200 (1)	Purchases	8,400 (1)	Bank	1,000 (1)				<u>13,400</u>		<u>13,400</u>	5	<p>Narrative and figure must be correct to be awarded mark. Allow bal b/d or bal b/f as appropriate but not bal on its own or b/d or b/f on its own. Allow trial balance difference for opening balance.</p>
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(c)	<table style="width: 100%;"> <tbody> <tr> <td colspan="2"><u>Revised Net Profit</u></td> </tr> <tr> <td>Original net profit</td> <td style="text-align: right;">80,400</td> </tr> <tr> <td>(i) Purchases understated</td> <td style="text-align: right;">(8,400) (1)</td> </tr> <tr> <td>(ii) Sale omitted</td> <td style="text-align: right;">3,100 (1)</td> </tr> <tr> <td>(iii) Rent received</td> <td style="text-align: right;">12,400 (2)</td> </tr> <tr> <td>(v) Machinery</td> <td style="text-align: right;">24,000 (1)</td> </tr> <tr> <td>(vi) Purchases</td> <td style="text-align: right;"><u>(900) (1)</u></td> </tr> <tr> <td>Revised net profit</td> <td style="text-align: right;"><u>110,600 (1)</u></td> </tr> </tbody> </table>	<u>Revised Net Profit</u>		Original net profit	80,400	(i) Purchases understated	(8,400) (1)	(ii) Sale omitted	3,100 (1)	(iii) Rent received	12,400 (2)	(v) Machinery	24,000 (1)	(vi) Purchases	<u>(900) (1)</u>	Revised net profit	<u>110,600 (1)</u>	7	<p>Must show whether items have been added or deducted for a mark, if no signage assume added.</p> <p>Mark figure with reasonable narrative or number to identify error.</p> <p>Revised net profit must have a narrative at the bottom or at the top. Correct answer only.</p>				
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(d)	<p>Error of omission where a transaction is completely omitted from books, there is neither a debit or credit entry.</p> <p>Error of commission where a correct amount is entered , but in the wrong person's account.</p> <p>Error of principle where an item is entered in the wrong class of account for example fixed asset entered in an expense account.</p> <p>Compensating error where two errors of equal amounts, but on the opposite sides of the accounts, cancel each other out.</p> <p>Error of original entry where an item is entered, but both debit and credit entries are of the same incorrect figure.</p> <p>Complete reversal of entries where both entries are on the wrong side of the accounts, the debit entry is entered on the credit side and the credit entry is entered on the debit side.</p>	9	<p>Allow error of transposition.</p> <p>(3 marks x 3 points)</p> <p>(1 for each valid point plus up to 2 for development)</p> <p>with reasonable narrative. not 'T' account.</p>																				

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2	<p data-bbox="320 245 1037 312">(a) <u>Coppice Cricket Club</u> <u>Bar Trading Account for the year ended 31 March 2017</u></p> <table data-bbox="320 312 1464 655"> <thead> <tr> <th data-bbox="320 312 824 341"></th> <th data-bbox="824 312 1084 341">£</th> <th data-bbox="1084 312 1464 341">£</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 341 824 370">Sales</td> <td data-bbox="824 341 1084 370"></td> <td data-bbox="1084 341 1464 370">26,700 (1)</td> </tr> <tr> <td data-bbox="320 370 824 399">Opening stock</td> <td data-bbox="824 370 1084 399">9,500</td> <td data-bbox="1084 370 1464 399"></td> </tr> <tr> <td data-bbox="320 399 824 427">Purchases</td> <td data-bbox="824 399 1084 427"><u>14,200 (2)</u></td> <td data-bbox="1084 399 1464 427"></td> </tr> <tr> <td data-bbox="320 427 824 456"></td> <td data-bbox="824 427 1084 456">23,700</td> <td data-bbox="1084 427 1464 456"></td> </tr> <tr> <td data-bbox="320 456 824 485">Closing stock</td> <td data-bbox="824 456 1084 485"><u>8,300</u></td> <td data-bbox="1084 456 1464 485"></td> </tr> <tr> <td data-bbox="320 485 824 513">Cost of sales</td> <td data-bbox="824 485 1084 513"></td> <td data-bbox="1084 485 1464 513"><u>15,400 (1)</u></td> </tr> <tr> <td data-bbox="320 513 824 542">Gross profit</td> <td data-bbox="824 513 1084 542"></td> <td data-bbox="1084 513 1464 542">11,300</td> </tr> <tr> <td data-bbox="320 542 824 571">Bar staff wages</td> <td data-bbox="824 542 1084 571"></td> <td data-bbox="1084 542 1464 571"><u>10,850 (1)</u></td> </tr> <tr> <td data-bbox="320 571 824 600">Bar profit</td> <td data-bbox="824 571 1084 600"></td> <td data-bbox="1084 571 1464 600"><u>450</u></td> </tr> </tbody> </table> <p data-bbox="320 711 1200 740">(b)* <u>Income and Expenditure Account for the year ended 31 March 2017</u></p> <table data-bbox="320 740 1464 1246"> <thead> <tr> <th data-bbox="320 740 824 769"></th> <th data-bbox="824 740 1084 769"></th> <th data-bbox="1084 740 1464 769"></th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="320 769 1464 798"><u>Income</u></td> </tr> <tr> <td data-bbox="320 798 824 826">Subscriptions</td> <td data-bbox="824 798 1084 826"></td> <td data-bbox="1084 798 1464 826">32,150(3)(1of)</td> </tr> <tr> <td data-bbox="320 826 824 855">Bar profit</td> <td data-bbox="824 826 1084 855"></td> <td data-bbox="1084 826 1464 855">450(1)</td> </tr> <tr> <td data-bbox="320 855 824 884">Profit from competition</td> <td data-bbox="824 855 1084 884"></td> <td data-bbox="1084 855 1464 884">3,200(1)</td> </tr> <tr> <td data-bbox="320 884 824 912">Profit from dinner dance</td> <td data-bbox="824 884 1084 912"></td> <td data-bbox="1084 884 1464 912">800(1)</td> </tr> <tr> <td data-bbox="320 912 824 941"></td> <td data-bbox="824 912 1084 941"></td> <td data-bbox="1084 912 1464 941">36,600</td> </tr> <tr> <td colspan="3" data-bbox="320 941 1464 970"><u>Expenditure</u></td> </tr> <tr> <td data-bbox="320 970 824 999">General expenses</td> <td data-bbox="824 970 1084 999">25,600(1)</td> <td data-bbox="1084 970 1464 999"></td> </tr> <tr> <td data-bbox="320 999 824 1027">Clubhouse maintenance</td> <td data-bbox="824 999 1084 1027">8,400(1)</td> <td data-bbox="1084 999 1464 1027"></td> </tr> <tr> <td data-bbox="320 1027 824 1056">Bad debts</td> <td data-bbox="824 1027 1084 1056">250(1)</td> <td data-bbox="1084 1027 1464 1056"></td> </tr> <tr> <td data-bbox="320 1056 824 1085">Depreciation Equipment</td> <td data-bbox="824 1056 1084 1085">8,600(1)</td> <td data-bbox="1084 1056 1464 1085"></td> </tr> <tr> <td data-bbox="320 1085 824 1114">Loss on sale of equipment</td> <td data-bbox="824 1085 1084 1114"><u>500(1)</u></td> <td data-bbox="1084 1085 1464 1114"></td> </tr> <tr> <td data-bbox="320 1114 824 1142"></td> <td data-bbox="824 1114 1084 1142"></td> <td data-bbox="1084 1114 1464 1142">43,350</td> </tr> <tr> <td data-bbox="320 1142 824 1171">Deficit</td> <td data-bbox="824 1142 1084 1171"></td> <td data-bbox="1084 1142 1464 1171"><u>(6750)(1)</u></td> </tr> </tbody> </table>		£	£	Sales		26,700 (1)	Opening stock	9,500		Purchases	<u>14,200 (2)</u>			23,700		Closing stock	<u>8,300</u>		Cost of sales		<u>15,400 (1)</u>	Gross profit		11,300	Bar staff wages		<u>10,850 (1)</u>	Bar profit		<u>450</u>				<u>Income</u>			Subscriptions		32,150(3)(1of)	Bar profit		450(1)	Profit from competition		3,200(1)	Profit from dinner dance		800(1)			36,600	<u>Expenditure</u>			General expenses	25,600(1)		Clubhouse maintenance	8,400(1)		Bad debts	250(1)		Depreciation Equipment	8,600(1)		Loss on sale of equipment	<u>500(1)</u>				43,350	Deficit		<u>(6750)(1)</u>	5	<p data-bbox="1608 437 2096 545">Must calculate profit from competition and dinner dance to be awarded mark. (Do not allow items separate in income and expenditure).</p> <p data-bbox="1608 577 2136 654">Loss on sale must be shown in expenses. Correct answer only must show as Deficit not Loss.</p> <p data-bbox="1608 686 2136 762">Accept vertical and horizontal presentation of income and expenditure account and balance sheet</p> <p data-bbox="1608 829 2136 890">Must calculate net figure for fixed assets to be awarded mark.</p> <p data-bbox="1608 1066 2136 1142">Correct answer only for current assets and current liabilities, items must be in the correct section.</p>
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	<p>Balance Sheet as at 31 March 2017</p> <table> <tr> <td colspan="2"><u>Fixed Assets</u></td> </tr> <tr> <td>Clubhouse</td> <td>200,000</td> </tr> <tr> <td>Equipment</td> <td><u>82,000</u></td> </tr> <tr> <td></td> <td>282,000(1)</td> </tr> <tr> <td colspan="2"><u>Current Assets</u></td> </tr> <tr> <td>Bar stock</td> <td>8,300(1)</td> </tr> <tr> <td>Subs in arrears</td> <td>600(1)</td> </tr> <tr> <td>Bank</td> <td><u>1,900(1)</u></td> </tr> <tr> <td></td> <td>10,800</td> </tr> <tr> <td colspan="2"><u>Current Liabilities</u></td> </tr> <tr> <td>Bar creditors</td> <td>3,100</td> </tr> <tr> <td>General expenses owing</td> <td>400</td> </tr> <tr> <td>Bar staff wages owing</td> <td>150(1)</td> </tr> <tr> <td>Subs in advance</td> <td><u>3,500(1)</u></td> </tr> <tr> <td></td> <td>7,150 (1)</td> </tr> <tr> <td>Working capital</td> <td><u>3,650</u></td> </tr> <tr> <td></td> <td><u>285,650</u></td> </tr> <tr> <td colspan="2">Financed by</td> </tr> <tr> <td>Accumulated fund</td> <td>292,400(2)</td> </tr> <tr> <td>Less deficit</td> <td><u>(6,750)(1)</u></td> </tr> <tr> <td></td> <td><u>285,650</u></td> </tr> </table> <p>QWC</p>	<u>Fixed Assets</u>		Clubhouse	200,000	Equipment	<u>82,000</u>		282,000(1)	<u>Current Assets</u>		Bar stock	8,300(1)	Subs in arrears	600(1)	Bank	<u>1,900(1)</u>		10,800	<u>Current Liabilities</u>		Bar creditors	3,100	General expenses owing	400	Bar staff wages owing	150(1)	Subs in advance	<u>3,500(1)</u>		7,150 (1)	Working capital	<u>3,650</u>		<u>285,650</u>	Financed by		Accumulated fund	292,400(2)	Less deficit	<u>(6,750)(1)</u>		<u>285,650</u>	3	<p>Mark figure only for deficit</p> <p>QWC: must be identified at the end of the question by showing 1, 2 or 3 ticks. If no mark awarded then mark with a red x to indicate that it has been considered.</p> <p><u>Receipts</u> – if just totals shown and incorrect check for individual amounts in workings.</p> <p>Can show cash sales and receipts from debtors as totals Sale of equipment should be shown separately.</p> <p><u>Payments</u> – Purchases can show totals</p> <table> <tr> <td>July</td> <td>Aug</td> <td>Sep</td> </tr> <tr> <td>329,400</td> <td>364,800</td> <td>391,200</td> </tr> </table>	July	Aug	Sep	329,400	364,800	391,200
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<p>3 (a)</p>	<p>PBC Ltd Cash Budget for the three months ended 30 September 2017</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">July</th> <th style="text-align: center;">August</th> <th style="text-align: center;">September</th> </tr> </thead> <tbody> <tr> <td colspan="4"><u>Receipts</u></td> </tr> <tr> <td>Cash sales</td> <td style="text-align: right;">140,000(1)</td> <td style="text-align: right;">145,600(1)</td> <td style="text-align: right;">151,200(1)</td> </tr> <tr> <td>Receipt from debtors</td> <td style="text-align: right;">537,600(1)</td> <td style="text-align: right;">560,000(1)</td> <td style="text-align: right;">582,400(1)</td> </tr> <tr> <td>Sales of equipment</td> <td style="text-align: right;"><u>36,000(1)</u></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">713,600</td> <td style="text-align: right;"><u>705,600</u></td> <td style="text-align: right;"><u>733,600</u></td> </tr> <tr> <td colspan="4"><u>Payments</u></td> </tr> <tr> <td>Cash purchases</td> <td style="text-align: right;">144,000(1)</td> <td style="text-align: right;">148,800(1)</td> <td style="text-align: right;">168,000(1)</td> </tr> <tr> <td>Payments to creditors</td> <td style="text-align: right;">185,400(1)</td> <td style="text-align: right;">216,000(1)</td> <td style="text-align: right;">223,200(1)</td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">180,000(1)</td> <td style="text-align: right;">183,240(1)</td> <td style="text-align: right;">183,600(1)</td> </tr> <tr> <td>General expenses</td> <td style="text-align: right;">22,000(1)</td> <td style="text-align: right;">22,000(1)</td> <td style="text-align: right;">20,000(1)</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;"><u>192,000(1)</u></td> <td style="text-align: right;"><u>128,000(1)</u></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">723,400</td> <td style="text-align: right;">698,040</td> <td style="text-align: right;">594,800</td> </tr> <tr> <td>Net cash flow</td> <td style="text-align: right;">(9,800)</td> <td style="text-align: right;">7560</td> <td style="text-align: right;">138,800</td> </tr> <tr> <td>Opening balance</td> <td style="text-align: right;"><u>(5,200)(1)</u></td> <td style="text-align: right;"><u>(15,000)</u></td> <td style="text-align: right;"><u>(7440)</u></td> </tr> <tr> <td>Closing balance</td> <td style="text-align: right;"><u>(15,000)</u></td> <td style="text-align: right;"><u>(7,440)</u></td> <td style="text-align: right;"><u>131,360(1)</u></td> </tr> </tbody> </table>		July	August	September	<u>Receipts</u>				Cash sales	140,000(1)	145,600(1)	151,200(1)	Receipt from debtors	537,600(1)	560,000(1)	582,400(1)	Sales of equipment	<u>36,000(1)</u>				713,600	<u>705,600</u>	<u>733,600</u>	<u>Payments</u>				Cash purchases	144,000(1)	148,800(1)	168,000(1)	Payments to creditors	185,400(1)	216,000(1)	223,200(1)	Wages	180,000(1)	183,240(1)	183,600(1)	General expenses	22,000(1)	22,000(1)	20,000(1)	Equipment	<u>192,000(1)</u>	<u>128,000(1)</u>			723,400	698,040	594,800	Net cash flow	(9,800)	7560	138,800	Opening balance	<u>(5,200)(1)</u>	<u>(15,000)</u>	<u>(7440)</u>	Closing balance	<u>(15,000)</u>	<u>(7,440)</u>	<u>131,360(1)</u>	<p>23</p>	<p><u>Receipts – Sales can show totals</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>July</th> <th>Aug</th> <th>Sep</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">677,600</td> <td style="text-align: right;">705,600</td> <td style="text-align: right;">733,600</td> </tr> </tbody> </table> <p>Wages can be shown separate</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>July</th> <th>Aug</th> <th>Sep</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">162,000</td> <td style="text-align: right;">165,240</td> <td style="text-align: right;">165,240</td> </tr> <tr> <td style="text-align: right;">18,000</td> <td style="text-align: right;">18,000</td> <td style="text-align: right;">18,360</td> </tr> </tbody> </table> <p>Opening balance must be a negative figure. Can show opening balance at top of budget.</p> <p>Closing balance correct answer only.</p> <p>Must discuss income <u>and</u> expenditure <u>not</u> profit and loss</p> <p>(3 x 3) (Each benefit - 1 for point up to 2 marks for development)</p> <p>QWC: must be identified at the end of the question by showing 1 or 2 ticks. If no mark awarded then mark with a red x to indicate that it has been considered.</p> <p>Must show whether figures have been added or deducted for mark, if no signage assume added.</p> <p>Mark figure with reasonable narrative or identification of which error.</p> <p>Where 2 marks are awarded 2 or 0</p> <p>If adjustment shows an increase and a</p>	July	Aug	Sep	677,600	705,600	733,600	July	Aug	Sep	162,000	165,240	165,240	18,000	18,000	18,360
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4 (a)	<p>Noah Walsh</p> <p><u>A detailed Statement of Stock Valuation as at 30 April 2017</u></p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Original stock valuation</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: right;">76,400</td> <td style="width: 25%;"></td> </tr> <tr> <td></td> <td style="text-align: center;">Increase</td> <td style="text-align: center;">Decrease</td> <td></td> <td></td> </tr> <tr> <td>(i) Purchases</td> <td></td> <td style="text-align: right;">6,400 (1)</td> <td></td> <td></td> </tr> <tr> <td>(ii) Sales returns</td> <td></td> <td style="text-align: right;">10,500 (2)</td> <td></td> <td></td> </tr> <tr> <td>(iii) Drawings</td> <td style="text-align: right;">750 (1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(iv) Sales</td> <td style="text-align: right;">20,500 (2)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(v) Purchase returns</td> <td style="text-align: right;">2,500 (1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(vi) Stationery</td> <td></td> <td style="text-align: right;">520 (1)</td> <td></td> <td></td> </tr> <tr> <td>(vii) Free samples</td> <td></td> <td style="text-align: right;">80 (1)</td> <td></td> <td></td> </tr> <tr> <td>(viii) Sale or return</td> <td style="text-align: right;">500 (2)</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">24,250</td> <td style="text-align: right; border-top: 1px solid black;">17500</td> <td style="text-align: right; border-top: 1px solid black;">6,750</td> <td></td> </tr> <tr> <td>Revised Stock Valuation</td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">83,150 (1)</td> <td></td> </tr> </table>	Original stock valuation			76,400			Increase	Decrease			(i) Purchases		6,400 (1)			(ii) Sales returns		10,500 (2)			(iii) Drawings	750 (1)				(iv) Sales	20,500 (2)				(v) Purchase returns	2,500 (1)				(vi) Stationery		520 (1)			(vii) Free samples		80 (1)			(viii) Sale or return	500 (2)					24,250	17500	6,750		Revised Stock Valuation			83,150 (1)		12	<p>decrease net figures off.</p> <p>Figure for revised stock valuation correct answer only with narrative at bottom or top.</p> <p>(1 mark for point plus up to 2 for development for each of items (iii), (vi) and (vii))</p>
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(b)	<p>(iii) The stock drawings were taken after the end of the financial year and, therefore, must be added back to stock since that stock would have been counted and valued if stocktaking had taken place on the correct day . In the profit and loss account increasing the valuation of the stock will increase the profit by £750. In the balance sheet increasing the stock valuation will increase the current assets by £750. Goods taken out of the business for the owners personal use is an example of the business entity concept.</p> <p>(vi) The stock valuation should only include those items which are to be resold for a profit. The stock of stationery had not been purchased with the intention to resell. Unused stationery at the end of the financial year should be classified as a prepaid expense in the balance sheet. As the stationery has been incorrectly categorised as stock rather than an expense then this is an example of an error of principle.</p> <p>(vii) The free samples should not be included in the stock valuation as only goods that have been purchased should be included as per SSAP9/IAS2 stock should be valued at the lower of cost and net realisable value. As these goods were free samples and therefore cost nothing they should not be included.</p>	9																																																													

APPENDIX 1

	AO1	AO2	AO3		Total
1a	7	7			14
1b	2	3			5
1c	3	4			7
1d			9		9
2a	2	3			5
2b	10	15		*	25
3a	8	15			23
3b			11	*	11
4a	4	8			12
4b			9		9
	36	55	29		120

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