

# Commentary on candidate evidence

The candidate evidence used in this workshop has achieved the following marks for each question of the question paper.

## Commentaries for Question 1

### Candidate 1 – 31/40

- (a) (i) ♦ No account of sold item taken into account when calculating depreciation – only award one mark for depreciation, DNA 1 mark
  - ♦ No loss on sale of equipment – DNA 1 mark
  - ♦ No Finance Cost – Elrick – DNA 1 mark
  - ♦ Share of profit consequential on equipment depreciation – mark awarded
- (ii) ♦ Share of profit consequential on Income Statement - mark awarded
  - ♦ Loan interest incorrect column – DNA 1 mark
- (iii) ♦ Equipment not adjusted for sale – DNA 1 mark
  - ♦ Provision for bad debts entered in current liabilities rather than adjusting the Trade Receivables – DNA 1 mark in trade receivables only
  - ♦ Cash and Cash Equivalents not adjusted for sale of equipment – DNA 1 mark
  - ♦ Income statement heading has Year 5 not Year 3, Finance costs (loan) – extraneous in SoFP - HLAE DNA 1 mark
  - ♦ Current Accounts consequential on Income Statement – marks awarded
- (b) ♦ No response provided by candidate

### Candidate 2 – 31/40

- (a) (i) ♦ Depreciation of equipment wrong – DNA 2 marks
  - ♦ No loss on sale of equipment – DNA 1 mark
  - ♦ No Finance Cost – Elrick – DNA 1 mark
  - ♦ Share of profit consequential – mark awarded
- (ii) ♦ Share of profit consequential on Income Statement – mark awarded
  - ♦ Interest on Loan missing from Elrick's Current Account – DNA 1 mark for Salary and Interest on Loan
- (iii) ♦ Equipment at cost not adjusted for sale – DNA 1 mark as consequential in the Income Statement
  - ♦ Cash and Cash Equivalents not adjusted for sale of equipment – DNA 1 mark
  - ♦ Finance costs (loan) – extraneous in SoFP - HLAE DNA 1 mark
  - ♦ Current Accounts consequential on Income Statement – marks awarded
- (b) ♦ No response provided by candidate

**Candidate 3 – 30/40**

- (a) (i) ♦ No account of sold item when calculating depreciation – only award one mark for depreciation, DNA 1 mark
- ♦ No loss on sale of equipment – DNA 1 mark
  - ♦ No Finance Cost – Elrick – DNA 1 mark
  - ♦ Share of profit consequential on equipment depreciation – mark awarded
- (ii) ♦ Opening entries Dr/Cr round the wrong way – DNA 1 mark
- ♦ Share of profit consequential on Income Statement – mark awarded
- (iii) ♦ Profit for year not labelled, Heading incorrect, arithmetic error for trade receivables, Finance costs (loan), extraneous in SoFP – HLAE DNA 1 mark
- ♦ Equipment depreciation not consequential on Income Statement calculation – DNA 2 marks
  - ♦ Closing inventory not given at lowest value – DNA 1 mark
  - ♦ Cash and Cash Equivalents not adjusted for sale of equipment – DNA 1 mark
  - ♦ Current Accounts consequential on Income Statement – marks awarded
- (b) ♦ No response provided by candidate

## Commentaries for Question 2, Part A

### Candidate 1 – 25/29

- (a) ♦ All marks awarded
- (b) ♦ Opening Inventory instead of Opening Balance – HLAE DNA 1 mark
  - ♦ Credit sales one month first entry correct other 2 incorrect – DNA 2 marks
  - ♦ Fixed costs incorrect – DNA 1 mark

### Candidate 2 – 12/29

- (a) ♦ First entry for opening inventory incorrect – DNA 1 mark
  - ♦ Did not follow Less/Add as noted – DNA 1 mark
- (b) ♦ Credit sales incorrect 1 month – DNA 4 marks
  - ♦ Credit sales incorrect 2 months – DNA 4 marks
  - ♦ Materials not consequentially correct – DNA 2 marks
  - ♦ Variable overheads 1 month not consequentially correct – DNA 2 marks
  - ♦ Rent in more than one month and shown as a payment – DNA 1 mark
  - ♦ Shares not shown as a receipt – DNA 1 mark
  - ♦ Heading in production budget does not show months – HLAE DNA 1 mark

### Candidate 3 – 10/29

- (a) ♦ All opening inventory incorrect – DNA 1 mark
  - ♦ Inventories incorrectly adjusted – DNA 1 mark
- (b) ♦ No cash sales – DNA 2 marks
  - ♦ Credit sales incorrect 1 month – DNA 4 marks
  - ♦ Credit sales incorrect 2 months – DNA 4 marks
  - ♦ Shares incorrect – DNA 1 mark
  - ♦ Variable overheads not split and not correct total for both months – DNA 4 marks
  - ♦ Rent treated as a payment – DNA 1 mark
  - ♦ Both headings incorrect, Sales label not in place, Less Expenses – HLEA DNA 1 mark

## Commentaries for Question 2, Part B

### Candidate 1 – 9/11

- (a)&(b) ♦ Process Account not headed up correctly – DNA 1 mark (first mark)
- ♦ Normal Loss Scrap not based on total inputs – DNA 1 mark

### Candidate 2 – 2/11

- (a)&(b) ♦ Process Account not headed up correctly – DNA 1 mark (first mark)
- ♦ Labour charge repeated, labour rate incorrect – DNA 1 mark
- ♦ As account order not correct, the CPU is incorrect – DNA 2 marks
- ♦ Normal Loss Scrap not based on total inputs – DNA 1 mark
- ♦ Abnormal loss omitted – DNA 1 mark
- ♦ Abnormal loss account not attempted – DNA 3 marks

### Candidate 3 – 6/11

- (a)&(b) ♦ Process Account not headed up correctly – DNA 1 mark (first mark)
- ♦ As account order not correct, the CPU is incorrect – DNA 2 marks
- ♦ Consequentially the last three entries in the balance column shouldn't finish zero – DNA 1 mark
- ♦ Abnormal Loss Account – income statement figure omitted – DNA 1 mark

## Commentaries for Question 3, Part A and B

### Candidate 1 Part A – 14/14

- ◆ Full marks awarded

### Candidate 1 Part B – 6/6

- ◆ Full marks awarded

### Candidate 2 Part A – 11/14

- (a) (ii) ◆ Rounding incorrect – DNA 1 mark
- (b) ◆ Theory – available for distribution rather than reinvested, earnings per share not necessarily return received – DNA 2 marks

### Candidate 2 Part B – 5/6

- ◆ Heading incorrect and nomenclature missing – DNA 1 mark (first mark)

### Candidate 3 Part B – 4/6

- ◆ Opening balance missing – DNA 1 mark
- ◆ Returns based on previous balance rather than purchase price – DNA 1 mark

## Commentaries for Question 4

### Candidate 1 – 19/20

- ◆ Arithmetical error calculating Profit in Company B Year 2 – DNA 1 mark

### Candidate 2 – 17/20

- ◆ Errors in theory – DNA 3 marks