

Candidate 1

Task 1 - Value View

4		£	£	£
5	Sales Revenue			548,000
6	Sales Returns			0
7	Net Sales Revenue			548,000 ✓ ₁
8				
9	Less Cost of Sales			
10	Opening Inventory		4,800	
11	Purchases	249,000		
12	Purchase Returns	0	249,000	
13			253,800 ✓ ₁	
14	Add Carriage In		2,800	
15			256,600	
16	Less Closing Inventory		10,000 ✓ ₁	
17	Cost of Sales			246,600
18	Gross Profit			301,400
19				
20	Less Expenses			
21	Advertising		✓ ₁ 5,500	
22	Electricity		✓ ₁ 14,350 ✓ ₁	
23	Finance Costs		7,500	
24	Insurance		13,200 ✓ ₁	
25	Salaries		✓ ₁ 64,750	
26	Provision of Deprecation on Factory Machinery		16,000 ✓ ₁	
27	Creation of Deprecation for Bad Debts	0	7,500	128,800
28				172,600
29	Add Other Income			
30	Discount Received			12,000 0
31	Profit for the Year			184,600

✓₁ ✓₁

11 out of 13

Task 1 - Formula View

4		£	£	£
5	=Data!A7			=Data!B7
6	Sales Returns			0
7	Net Sales Revenue			=D5-D6
8				
9	Less Cost of Sales			
10	Opening Inventory		=Data!B6	
11	=Data!A8	=Data!B8		
12	Purchase Returns	0	=B11-B12	
13			=SUM(C10:C12)	
14	Add Carriage In		=Data!B20	
15			=SUM(C13:C14)	
16	Less Closing Inventory		10000	
17	Cost of Sales			=C15-C16
18	Gross Profit			=D7-D17
19				
20	Less Expenses			
21	=Data!A12		=Data!B12+200	
22	=Data!A15		=Data!B15-350	
23	=Data!A16		=Data!B16	
24	=Data!A18		=Data!B18	
25	=Data!A19		=Data!B19	
26	Provision of Deprecation on Factory Mac		=Data!B9*0.1	
27	Creation of Deprecation for Bad Debts		=Data!B11*0.75	=SUM(C21:C27)
28				=D18-D27
29	Add Other Income			
30	=Data!A14			=Data!B14
31	Profit for the Year			=SUM(D28:D30)

✓
L

✓
A

2 out of 2

Task 2 - Value View

	A	B	C
1	PITCH UP		
2			
3	RATIO CALCULATIONS FOR YEAR 3		
4			
5	Calculate the following ratios/figures using the data contained in the		
6			
7			
8	Gross Profit Ratio	55 %	✓ ₁
9			
10	Average Inventory	£7,400	✓ ₁
11			
12	Rate of Inventory Turnover	33 times	✓ ₁
13			
14	Trade Payables Payment Period	22 days	✓ ₁ ✓ ₁
15			
16	Trade Receivables Collection Period	3 days	C C
17			
18	Current Assets	£17,450	0 C
19			
20	Current Liabilities	£14,600	✓ ₁ ✓ ₁
21			
22	Current Ratio	1.20 :1	C
23			
24	Acid Test Ratio	17449 :1	C C

13 out of 14

Task 2 - Formula View

	A	B	
1	PITCH UP		
2			
3	RATIO CALCULATIONS FOR YEAR 3		
4			
5	Calculate the following ratios/figures using the data contained		
6			
7			
8	Gross Profit Ratio	=Income!D18/Income!D5*100	
9			
10	Average Inventory	=(Income!C10+Income!C16)/2	✓ ₁ F1
11			
12	Rate of Inventory Turnover	=Income!D17/Ratios!B10	
13			
14	Trade Payables Payment Period	=Data!B21/(Data!B8*0.8)*365	
15			
16	Trade Receivables Collection Period	=Data!B11/Data!B7*0.4*365	0 F2
17		X	
18	Current Assets	=B20+(Data!B11-Income!C27)+350	✓ ₁ F3
19			
20	Current Liabilities	=Data!B21+Data!B13+200	
21			
22	Current Ratio	=B18/B20	
23			0 F4
24	Acid Test Ratio	=B18-Income!C16/Ratios!B20	

X

2 out of 4

Task 3 - Value View

PART A

Ratio	Year 2	Year 3	One possible reason for difference in each ratio
Current Ratio	2:1	1.20:1	One reason that there is a possible difference in the ratio is that the selling price has decreased. 0
Gross Profit Ratio	40%	55%	One reason that there is a possible difference in the ratio is that the selling price has increased. ✓ ₁
Trade Receivables Collection Period	30 days	3 days	One reason that there is a possible difference in the ratio is that they need to tighten credit control procedures in the business. ✓ ₁

PART B

Ratio	One way of improving each ratio
Rate of Inventory Turnover	One way of improving Rate of Inventory turnover is to hold less inventory. ✓ ₁
Acid Test Ratio	One way to improve Acid Test Ratio is to offer discounts and special offers on certain goods to increase the amounts sold. ✓ ₁
Trade Payables Payment Period	One way to improve Trade Payables Payment Period is to lease instead of buy certain Non-Current Assets 0

4 out of 6

Task 4 - Value View

	A	B	C	D	E
1	PITCH UP				
2	PROFIT CALCULATION				
3	YEAR 4				
4					
5	Maximum machine hours available	23,000			
6					
7		Pod	Tunnel	Hike	
8	Machine hours per unit	2.5	3	2	
9	Selling price per unit	£75	£80	£65	
10	Maximum demand (units)	3,600	3,300	2,800	
11	Variable cost per unit	£35	£44	£30	
12					
13		Pod	Tunnel	Hike	Total
14	Machine hours required to meet				
15	maximum demand	1,440	1,100	1,400	3,940
16					✓ ₁
17	Contribution per unit	£40.00	£36.00	£35.00	
18					✓ ₁
19	Contribution per machine hour	£16.00	£12.00	£17.50	
20					
21	Order of priority	2	3	1	
22					
23	Machine hours to be used to				
24	maximise profits	1,440	20,160	1,400	23,000
25					C
26	Units to be produced	576	6,720	700	
27					
28	Total contribution	£14	£187	£20	£26,940
29					
30	Fixed costs				£12,130
31					
32	Maximum profit				£39,070

4 out of 8

Task 4 - Formula View

	A	B	C	D	E
1	PITCH UP				
2	PROFIT CALCULATION				
3	YEAR 4				
4					
5	Maximum machine hours available	23000			
6					
7		Pod	Tunnel	Hike	
8	Machine hours per unit	2.5	3	2	
9	Selling price per unit	75	80	65	
10	Maximum demand (units)	3600	3300	2800	
11	Variable cost per unit	35	44	30	
12					
13		Pod	Tunnel	Hike	Total
14	Machine hours required to meet				
15	maximum demand	=B10/B8	=C10/C8	=D10/D8	=SUM(B15:D15)
16					
17	Contribution per unit	=B9-B11	=C9-C11	=D9-D11	✓ ₁
18					
19	Contribution per machine hour	=B17/B8	=C17/C8	=D17/D8	
20					
21	Order of priority	2	3	1	
22					
23	Machine hours to be used to				
24	maximise profits	=B15	=E24-(D24+B24)	=D15	=B5
25					
26	Units to be produced	=B24/B8	=C24/C8	=D24/D8	
27					
28	Total contribution	=B26/B17	=C ✓ ₁ 7	=D26/D17	=E15+E24
29					
30	Fixed costs				=121300*0.1
31					
32	Maximum profit				=E28 ✓ ₁

3 out of 3

Candidate 2

Task 1 - Value View

4		£	£	£	
5	Sales Revenue			548,000	✓
6					
7	LESS COST OF SALES				
8	Opening Inventory		4,800		
9	Purchases	249,000			
10	Add carriage in	✓ 2,800	251,800		
11			256,600		
12	Less Closing Inventory		10,000	✓	
13	COST OF SALES			246,600	
14	GROSS PROFIT			301,400	
15					
16	<u>Less Expenses</u>				
17	Factory Machinery (160,000*10%)	L 0	16,000	✓	
18	Trade Receivables (10,000*7.5%)		✓ 750		
19	Advertising (5300+200)		5500	✓ 0	
20	Finance Costs		7,500		
21	Trade Payables 0	E	12,000		
22	Insurance		13,200	✓ 0	
23	Cash Equivalents - overdraft		2,400		
24	Provision for Depreciation: Factory Machinery		27,600	43,600	
25				257,800	
26	<u>Add income</u>				
27	Electricity Received		✓ 350		
28	Discount Received	✓	1,500	1,850	
29	Profit For The Year			259,650	

9 out of 13

Task 1 - Formula View

	B	C	D
1	PITCH UP		
2	INCOME STATEMENT FOR THE YEAR ENDED 31 D		
3			
4	£	£	
5	Sales Revenue		548000 L 0
6			
7	LESS COST OF SALES		
8	Opening Inventory	4800	
9	Purchases 249000		
10	Add carriage in 2800	=B9+B10	
11		=C8+C10	
12	Less Closing Inventory	10000	
13	COST OF SALES		=C11-C12
14	GROSS PROFIT		=D5-D13
15			
16	Less Expenses		
17	Factory Machinery (160,000*10%)	=160000*10%	
18	Trade Recievables (10,000*7.5%)	=10000*7.5%	
19	Advertising (5300+200)	=5300+200	
20	Finance Costs	7500	
21	Trade Payables	12000	
22	Insurance	13200	
23	Cash Equivalents - overdraft	2400	
24	Provision for Depreciation: Factory Machinery	27600	=SUM(C17+C24)
25			=D14-D24
26	Add income		
27	Electricity Received	350	
28	Discount Received	1500	=C27+C28
29	Profit For The Year		=D25+D28

A ✓₁

1 out of 2

Task 2 - Value View

	A	B	C
1	PITCH UP		
2			
3	RATIO CALCULATIONS FOR YEAR 3		
4			
5	Calculate the following ratios/figures using the data contained		
6			
7			
8	Gross Profit Ratio	55 %	✓ ₁
9			
10	Average Inventory	£7,400	✓ ₁
11			
12	Rate of Inventory Turnover	33 times	✓ ₁
13			
14	Trade Payables Payment Period	18 days	✓ ₁ 0
15			
16	Trade Receivables Collection Period	7 days	✓ ₁ 0
17			
18	Current Assets	£13,150	0 0
19			
20	Current Liabilities	£14,400	✓ ₁ 0
21			
22	Current Ratio	0.91 :1	C
23			
24	Acid Test Ratio	0.22 :1	C C

9 out of 14

Task 2 - Formula View

		B
1	PITCH UP	
2		
3	RATIO CALCULATIONS FOR YEAR 3	
4		
5	Calculate the following ratios/figures using the data below	
6		
7		
8	Gross Profit Ratio	=Income!D14/Income!D5*100
9		✓ ₁
10	Average Inventory	=(Income!C8+Income!C12)/2
11		
12	Rate of Inventory Turnover	=Income!D13/Ratios!B10
13		
14	Trade Payables Payment Period	=(Income!C21/Income!B9)*365 ✓ ₁
15		
16	Trade Receivables Collection Period	=(Data!B11/Income!D5)*365
17		
18	Current Assets	=Income!C18+Income!C23+Income!C12 ✓ ₁
19		
20	Current Liabilities	=Income!C21+Income!C23
21		
22	Current Ratio	=B18/B20 ✓ ₁
23		
24	Acid Test Ratio	=(B18-Income!C12)/Ratios!B20

4 out of 4

Task 3 - Value View

PART A

Ratio	Year 2	Year 3	One possible reason for difference
Current Ratio	2 : 1	0.91 : 1	The current asset was changed 0
Gross Profit Ratio	40 %	55 %	The sales revenue was different 0
Trade Receivables Collection Period	30 days	7 days	The credit purchase was on debit 0

PART B

Ratio	One way of improving each ratio
Rate of Inventory Turnover	Cost of sales to be higher in price so to gain more profit 0
Acid Test Ratio	Assets needs to be not always fixed and change it 0
Trade Payables Payment Period	Credit purchase to be on debit purchases instead 0

0 out of 6

Task 4 - Value View

	A	B	C	D	E
1	PITCH UP				
2	PROFIT CALCULATION				
3	YEAR 4				
4					
5	Maximum machine hours available	23,000			
6					
7		Pod	Tunnel	Hike	
8	Machine hours per unit	2.5	3	2	
9	Selling price per unit	£75	£80	£65	
10	Maximum demand (units)	3,600	3,300	2,800	
11	Variable cost per unit	£35	£44	£30	
12					
13		Pod	Tunnel	Hike	Total
14	Machine hours required to meet				
15	maximum demand	9,000	9,900	5,600	24,500
16					
17	Contribution per unit	£40.00	£36.00	£35.00	
18					
19	Contribution per machine hour	£16.00	£12.00	£17.50	
20					
21	Order of priority	2	3	1	
22					
23	Machine hours to be used to				
24	maximise profits	3,600	3,300	2,800	9,700
25					
26	Units to be produced	57,600	39,600	49,000	
27					
28	Total contribution	£640	£432	£613	£1,685
29					
30	Fixed costs				£12,130
31					
32	Maximum profit				£23,754.50

✓₁✓₁✓₁

0

0

0

0

0

3 out of 8

Task 4 - Formula View

5	Maximum machine hours available 23000			
6				
7		Pod	Tunnel	Hike
8	Machine hours per unit 2.5	3	2	
9	Selling price per unit 75	80	65	
10	Maximum demand (units) 3600	3300	2800	
11	Variable cost per unit 35	44	30	
12				
13		Pod	Tunnel	Hike
14	Machine hours required to meet			
15	maximum demand =B10*B8	=C10*C8	=D10*D8	=B15+C15+D15
16				
17	Contribution per unit =B9-B11	=C9-C11	=D9-D11	
18				
19	Contribution per machine hour =B17/B8	=C17/C8	=D17/D8	
20				
21	Order of priority 2	3	1	
22				
23	Machine hours to be used to			
24	maximise profits =B15/B8	=C15/C8	=D15/D8	=D24+C24+B24
25				
26	Units to be produced =B10*B19	=C10*C19	=D10*D19	
27				
28	Total contribution =B17*B19	=C17*C19	=D17*D19	=B28+C28+D28
29				
30	Fixed costs			=121300*10%
31				
32	Maximum profit			=E15+E24+E28-E30

✓₁

3 out of 3

Candidate 3

Task 1 - Value View

	A	B	C	D	E
1	PITCH UP INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER YEAR 3				
2		£	£	£	
3	Sales Revenue			548,000	✓ ₁
4	Less Sales Returns			0	
5	Less Cost of Sales				
6	Inventory @ 1 January Year 3		4,800		
7	Purchases		249,000		
8	Carriage Inwards		2,800	✓ ₁	
9			256,600		
10	Closing Inventory		10,000	0	
11				266,600	
12	Gross Profit			281,400	
13	Less Expenses				
14	Advertising		5,300	✓ ₁	
15	Electricity		14,350	✓ ₁ 0	
16	Finance Costs		7,500		
17	Depreciation		16,000	✓ ₁	
18	Trade Receivables	✗ 0 L	750	✓ ₁	
19	Insurance		13,200		
20	Salaries		64,750	✓ ₁ ✓ ₁	
21				121,850	
22				✗ 403,250 0 A	
23	Add Other Income				
24	Discount Received			1,500	✓ ₁
25	Profit for the Year			404,750	

9 out of 13

Task 1 - Formula View

	A	B	C	D
1	PITCH UP INCOME STA1			
2		£	£	£
3	=Data!A7			=Data!B7
4	Less Sales Returns			0
5	Less Cost of Sales			
6	=Data!A6	=Data!B6		
7	=Data!A8	=Data!B8		
8	=Data!A20	=Data!B20		
9		=SUM(C6:C8)		
10	Closing Inventory	10000		
11				=C9+C10
12	Gross Profit			=D3-D11
13	Less Expenses			
14	=Data!A12	=Data!B12		
15	=Data!A15	=Data!B15-350		
16	=Data!A16	=Data!B16		
17	Depreciation	=Data!B9*10%		
18	Trade Receivables	750 0		
19	=Data!A18	=Data!B18		
20	=Data!A19	=Data!B19		
21				=SUM(C14:C20)
22				=D12+D21
23	Add Other Income			
24	=Data!A14			=Data!B14
25	Profit for the Year			=D22+D24

✓₁

1 out of 2

Task 2 - Value View

	A	B	C
7			
8	Gross Profit Ratio	51	% C
9			
10	Average Inventory	£7,400	✓ ₁
11			
12	Rate of Inventory Turnover	36	times C
13			
14	Trade Payables Payment Period	18	days C 0
15			
16	Trade Receivables Collection Period	3	days C C
17			
18	Current Assets	£10,750	0 0
19			
20	Current Liabilities	£2,600	✓ ₁ 0
21			
22	Current Ratio	4.13	:1 C
23			
24	Acid Test Ratio	10746.15	:1 C C

10 out of 14

Task 2 - Formula View

	A	B	C
7			
8	Gross Profit Ratio	=Income!D12/Income!D3*100	%
9			
10	Average Inventory	=(Income!C6+10000)/2	
11			
12	Rate of Inventory Turnover	=Income!D11/B10	times ✓ ₁
13			
14	Trade Payables Payment Period	=Data!B21/(Income!C7)*365	days
15			
16	Trade Receivables Collection Period	=Data!B11/Data!B7*40%*365	days ✗ ₀
17			
18	Current Assets	=Income!C18+10000	
19			✓ ₁
20	Current Liabilities	=Data!B13+200	
21			
22	Current Ratio	=B18/B20	:1
23			
24	Acid Test Ratio	=B18-10000/B20	:1 ✗ ₀
25			

2 out of 4

Task 3 - Value View

7	Ratio	Year 2	Year 3	One possible reason for difference in each ratio
	Current Ratio	2:1	4.13:1	Higher Current Assets in Year 3
8				C
9	Gross Profit Ratio	40 %	51 %	They must have sold more in Year 3
				0
10	Trade Receivables Collection Period	30 days	3 days	They are getting the money in from customers quick in Year 3
				0
11				
12	PART B			
13				
14	Ratio	One way of improving each ratio		
	Rate of Inventory Turnover	They could have more inventory in their storeroom		
15				
	Acid Test Ratio	They could pay off loans and current liabilities		
16				
	Trade Payables Payment Period	They could pay off trade payables more quickly		
17				

2 out of 6

Task 4 - Value View

	A	B	C	D	E	
4						
5	Maximum machine hours available	23,000				
6						
7		Pod	Tunnel	Hike		
8	Machine hours per unit	2.5	3	2		
9	Selling price per unit	£75	£80	£65		
10	Maximum demand (units)	3,600	3,300	2,800		
11	Variable cost per unit	£35	£44	£30		
12						
13		Pod	Tunnel	Hike	Total	
14	Machine hours required to meet					
15	maximum demand	9,000	9,900	5,600	24,500	✓ ₁
16						
17	Contribution per unit	£40.00	£36.00	£35.00	✓ ₁	
18						
19	Contribution per machine hour	£100.00	£108.00	£70.00	0	
20						
21	Order of priority	2nd	1st	3rd		
22						
23	Machine hours to be used to					
24	maximise profits	9,000	9,900	4,100	23,000	C
25						
26	Units to be produced	3,600	3,300	8,200	0	
27						
28	Total contribution	£144,000	£118,800	£287,000	£549,800	C
29						
30	Fixed costs				£109,440	0
31						
32	Maximum profit				£440,360	C

5 out of 8

Task 4 - Formula View

	A	B	C	D	E
4					
5	Maximum machine hours available	23000			
6					
7		Pod	Tunnel	Hike	
8	Machine hours per unit	2.5	3	2	
9	Selling price per unit	75	80	65	
10	Maximum demand (units)	3600	3300	2800	
11	Variable cost per unit	35	44	30	
12					
13		Pod	Tunnel	Hike	
14	Machine hours required to meet				
15	maximum demand	=B10*B8	=C10*C8	=D10*D8	=SUM(B15:D15)
16					
17	Contribution per unit	=B9-B11	=C9-C11	=D9-D11	
18					
19	Contribution per machine hour	=B17*B8	=C17*C8	=D17*D8	
20					
21	Order of priority	2nd	1st	3rd	
22					
23	Machine hours to be used to				
24	maximise profits	=B15	=C15	=E24-B24-C24	=B5
25					
26	Units to be produced	=B10	=C10	=D24*D8	
27					
28	Total contribution	=B26*B17	=C26*C17	=D26*D17	=SUM(B28:D28)
29					
30	Fixed costs				=121600*90%
31					
32	Maximum profit				=E28-E30
33					

✓₁

3 out of 3

Candidate 4

Task 1 - Value View

	A	B	C	D
1	PITCH UP			
2	INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER YEAR 3			
3				
4		£	£	£
5	Sales Revenue			548,000
6	Net Profit			548,000
7				
8	Less: Cost of Sales			
9	Opening Inventory		4,800	
10	Add Purchases	249,000	253,800	
11	Carraige In		2,800	
12			256,600	
13	Less Closing Inventory		10,000	266,600
14	Gross Profit			281,400
15				
16				
17	Expenses			
18	Advertising		5,500	
19	Electricity		14,700	
20	Provision for Bad Debts		750	
21	Depreciation		16,000	
22	Trade Payables		12,000	
23	Salaries		64,750	
24	Finance Costs		7,500	
25	Mortgage		150,000	
26	Insurance		13,200	284,400
27				-3,000
28				
29	Add Income			
30	Discount Received		1,500	
31	Other Receivables		350	1,850
32	Profit for the Year			-1,150

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✓₁

10 out of 13

Task 1 - Formula View

	A	B	C	D
1	PITCH UP			
2	INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER YEAR 3			
3				
4		£	£	£
5	Sales Revenue			=Data!B7
6	Net Profit			=D5
7				
8	Less: Cost of Sales			
9	Opening Inventory		=Data!B6	
10	Add Purchases	=Data!B8	=SUM(C9,B10)	
11	Carriage In		=Data!B20	
12			=SUM(C10:C11)	
13	Less Closing Inventory		10000	=SUM(C12:C13)
14	Gross Profit			=D6-D13
15				
16				
17	Expenses			
18	Advertising		=Data!B12+200	
19	Electricity		=Data!B15	
20	Provision for Bad Debts		=(Data!B11/100*7.5)	
21	Depreciation		=(Data!B9*0.1)	
22	Trade Payables		=Data!B21	
23	Salaries		=Data!B19	
24	Finance Costs		=Data!B16	
25	Mortgage		=Data!B17	
26	Insurance		=Data!B18	=SUM(C18:C26)
27				=D14-D26
28				
29	Add Income			
30	Discount Received		=Data!B14	
31	Other Receivables		=350	=SUM(C30:C31)
32	Profit for the Year			=D27+D31

✓₁✓₁

2 out of 2

Task 2 - Value View

	A	B	C
1	PITCH UP		
2			
3	RATIO CALCULATIONS FOR YEAR 3		
4			
5	Calculate the following ratios/figures using the data contain		
6			
7			
8	Gross Profit Ratio	51 %	C
9			
10	Average Inventory	£7,400	✓ ₁
11			
12	Rate of Inventory Turnover	36 times	C
13			
14	Trade Payables Payment Period	22 days	✓ ₁ ✓ ₁
15			
16	Trade Receivables Collection Period	17 days	✓ ₁ ✓ ₁
17			
18	Current Assets	£164,800	0
19			
20	Current Liabilities	£152,400	0
21			
22	Current Ratio	1 :1	C
23			
24	Acid Test Ratio	1.02 :1	C C

10 out of 14

Task 2 - Formula View

		B	C
1	PITCH UP		
2			
3	RATIO CALCULATIONS FOR YEAR 3		
4			
5	Calculate the following ratios/figures u		
6			
7			
8	Gross Profit Ratio	= (Income!D14/Data!B7)*100	%
9			
10	Average Inventory	= (10000+Data!B6)/2	
11			
12	Rate of Inventory Turnover	= Income!D13/B10	times
13			
14	Trade Payables Payment Period	= Data!B21/(Data!B8*0.8)*365	days
15			
16	Trade Receivables Collection Period	= Data!B11/(Data!B7*0.4)*365	days
17			
18	Current Assets	= Data!B6+Data!B9	
19			
20	Current Liabilities	= Data!B13+Data!B17	
21			
22	Current Ratio	= B18/B20	:1
23			
24	Acid Test Ratio	= (B18-Income!C13)/B20	:1

✓₁✓₁✓₁✓₁

4 out of 4

Task 3 - Value View

PART A

Ratio	Year 2	Year 3	One possible reason for difference in each ratio
Current Ratio	2:1	1:1	One reason for difference in ratio is there are not enough assets; the number of liabilities is too similar ○
Gross Profit Ratio	40%	51%	Another reason for difference in ratio is sales revenue has increased ○
Trade Receivables Collection Period	30 days	17 days	Another reason for difference in ratio is money owed to them is being paid faster ○

PART B

Ratio	One way of improving each ratio
Rate of Inventory Turnover	One way to improve this ratio is increase selling price and to make sure that too much inventory is not being stored ✓
Acid Test Ratio	Another way to improve this ratio is to increase sales ○
Trade Payables Payment Period	Another way to improve this ratio is to minimise sales being made on credit ○

1 out of 6

Task 4 - Value View

	A	B	C	D	E
1	PITCH UP				
2	PROFIT CALCULATION				
3	YEAR 4				
4					
5	Maximum machine hours availal	23,000			
6					
7		Pod	Tunnel	Hike	
8	Machine hours per unit	2.5	3	2	
9	Selling price per unit	£75	£80	£65	
10	Maximum demand (units)	3,600	3,300	2,800	
11	Variable cost per unit	£35	£44	£30	
12					
13		Pod	Tunnel	Hike	Total
14	Machine hours required to meet				
15	maximum demand	9,000	9,900	5,600	24,500
16					
17	Contribution per unit	£40	£36	£35	
18					
19	Contribution per machine hour	£100	£108	£70	
20					
21	Order of priority	d	1st	3rd	
22					
23	Machine hours to be used to				
24	maximise profits	9,000	9,900	4,100	23,000
25					
26	Units to be produced	3,600	3,300	2,050	
27					
28	Total contribution	£144,000	£118,800	£71,750	£334,550
29					
30	Fixed costs				£109,170
31					
32	Maximum profit				£225,380

7 out of 8

Task 4 - Formula View

		B	C	D	E
1	PITCH UP				
2	PROFIT CALC				
3	YEAR 4				
4					
5	Maximum mc	23000			
6					
7		Pod	Tunnel	Hike	
8	Machine hou	2.5	3	2	
9	Selling price p	75	80	65	
10	Maximum de	3600	3300	2800	
11	Variable cost	35	44	30	
12					
13		Pod	Tunnel	Hike	Total
14	Machine hou				
15	maximum de	=B8*B10	=C8*C10	=D8*D10	=SUM(B15:D15)
16					
17	Contribution p	=B9-B11	=C9-C11	=D9-D11	
18					
19	Contribution p	=B17*B8	=C17*C8	=D17*D8	
20					
21	Order of priori	2nd	1st	3rd	
22					
23	Machine hou				
24	maximise prof	=B15	=C15	=B5-B24-C24	=SUM(B24:D24)
25					
26	Units to be pr	=B10	=C10	=D24/D8	
27					
28	Total contribu	=B17*B26	=C17*C26	=D17*D26	=SUM(B28:D28)
29					
30	Fixed costs				=121300-(121300*0.1)
31					
32	Maximum pro				=E28-E30

✓₁✓₁✓₁

3 out of 3

Candidate 5

Task 1 - Value View

	A	B	C	D
1	PITCH UP			
2	INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER YEAR 3			
3				
4		£	£	£
5	Sales Revenue			548,000 ✓ ₁
6	Net Sales			548,000
7				
8				
9	Cost of Sales			
10	Opening Inventory		4,800	
11	Purchases		249,000	
12	Closing Inventory		0 10,000 X	
13			263,800	
14				
15	Expenses			
16	Electricity	15,050 ✓ ₁	0	
17	Mortgage E 0	150,000		
18	Insurance	13,200		
19	Salaries	64,750 ✓ ₁		
20	Advertising	5,500 ✓ ₁		
21	Cash Equivalents - overdraft	2,400		
22			250,900	
23				
24	Gross Profit L 0			297,100
25				
26	Add other income			
27	Carriage Inwards		2,800 0	
28	Discount Received		1,500 ✓ ₁	
29	Finance Costs		7,500 0	
30	Trade Receivables		750 0	
31	Trade Payables		12,000	
32			24,550	
33	PROFIT FOR THE YEAR			869,650

5 out of 13

Candidate 5

Task 1 - Formula View

	B	C	D
1	PITCH UP		
2	INCOME STATEMENT FOR THE		
3			
4	£	£	
5	Sales Revenue		=Data!B7
6	Net Sales		=Data!B7
7			
8			
9	Cost of Sales		
10	Opening Inventory	=Data!B6	
11	Purchases	=Data!B8	
12	Closing Inventory	10000	
13		=C11+C12+C10	
14			
15	Expenses		
16	=Data!A15	=Data!B15+350	
17	=Data!A17	=Data!B17	
18	=Data!A18	=Data!B18	
19	=Data!A19	=Data!B19	
20	=Data!A12	=Data!B12+200	0
21	=Data!A13	=Data!B13	
22		=B16+B17+B18+B19+B2	
23			
24	Gross Profit		=D6-C22
25			
26	Add other income		
27	=Data!A20	=Data!B20	
28	=Data!A14	=Data!B14	
29	=Data!A16	=Data!B16	
30	=Data!A11	=Data!B11*7.5%	
31	=Data!A21	=Data!B21	
32		=C27+C28+C29+C30+C	
33	PROFIT FOR THE YEAR		=D6+D24+C32

L ✓₁

1 out of 2

Task 2 – Value View

	A	B	C	
1	PITCH UP			
2				
3	RATIO CALCULATIONS FOR YEAR 3			
4				
5	Calculate the following ratios/figures using the data contained			
6				
7				
8	Gross Profit Ratio	54 %	C	
9				
10	Average Inventory	£7,400	✓	
11				
12	Rate of Inventory Turnover	36 times	C	
13				
14	Trade Payables Payment Period	438 days	0	0
15				
16	Trade Receivables Collection Period	1 days	C	0
17				
18	Current Assets	£11,250	0	0
19				
20	Current Liabilities	£226,350	0	0
21				
22	Current Ratio	20.12 :1	0	
23				
24	Acid Test Ratio	2.00 :1	0	0

4 out of 14

Task 2 - Formula View

	A	B	C
1	PITCH UP		
2			
3	RATIO CALCULATIONS FOR YEAR 3		
4			
5	Calculate the following ratios/figures using s		
6			
7			
8	Gross Profit Ratio	=Income!D24/Incon	%
9			0
10	Average Inventory	=(Income!C10+Inco	
11			
12	Rate of Inventory Turnover	=Income!C13/Ratio	times
13			
14	Trade Payables Payment Period	=Income!C31/Incon	days 0
15			
16	Trade Receivables Collection Period	=Income!C30/Incon	days
17			
18	Current Assets	=Income!C31-Incon	0
19			
20	Current Liabilities	=Income!C22-Incon	
21			
22	Current Ratio	=B20/B18	:1 0
23			
24	Acid Test Ratio	2	:1

0 out of 4

Task 3 - Value View

PART A

Ratio	Year 2	Year 3	One possible reason for difference in each ratio
Current Ratio	2 :1	20.1 :1	Higher Selling Price 0
Gross Profit Ratio	40 %	52 %	More Inventory Held 0
Trade Receivables Collection Period	30 days	1 days	Paying Suppliers 0

PART B

Ratio	One way of improving each ratio
Rate of Inventory Turnover	Increase the selling price 0
Acid Test Ratio	lower cost of prices 0
Trade Payables Payment Period	Reduce Credit Sales 0

0 out of 6

Task 4 - Value View

	A	B	C	D	E	
1	PITCH UP					
2	PROFIT CALCULATION					
3	YEAR 4					
4						
5	Maximum machine hours available	23,000				
6						
7		Pod	Tunnel	Hike		
8	Machine hours per unit	2.5	3	2		
9	Selling price per unit	£75	£80	£65		
10	Maximum demand (units)	3,600	3,300	2,800		
11	Variable cost per unit	£35	£44	£30		
12						
13		Pod	Tunnel	Hike	Total	
14	Machine hours required to meet					
15	maximum demand	188	240	130	558	0
16						
17	Contribution per unit	£40.00	£36.00	£35.00	£111.00	✓1
18						
19	Contribution per machine hour	£3,565.00	£3,256.00	£2,770.00		0
20						
21	Order of priority	£3,525.00	£3,220.00	£2,735.00		0
22						
23	Machine hours to be used to					
24	maximise profits					
25						
26	Units to be produced					
27						
28	Total contribution					
29						
30	Fixed costs				£12,130	0
31						
32	Maximum profit					

1 out of 8

Task 4 - Formula View

	B	C	D	E
1 PITCH UP				
2 PROFIT CALCULATIO				
3 YEAR 4				
4				
5 Maximum machine	23000			
6				
7	Pod	Tunnel	Hike	
8 Machine hours per	2.5	3	2	
9 Selling price per uni	75	80	65	
10 Maximum demand	3600	3300	2800	
11 Variable cost per ur	35	44	30	
12				
13	Pod	Tunnel	Hike	
14 Machine hours requ				
15 maximum demand	=B8*B9	=C8*C9	=D8*D9	=D15+C15+B15
16				
17 Contribution per un	=B9-B11	=C9-C11	=D9-D11	=D17+C17+B17
18				
19 Contribution per mx	=B10-B11	=C10-C11	=D10-D11	
20				
21 Order of priority	=B19-B17	=C19-C17	=D19-D17	
22				
23 Machine hours to b		0		
24 maximise profits				
25				
26 Units to be produce				
27				
28 Total contribution				
29				
30 Fixed costs				=121300*10%
31				
32 Maximum profit				

2 out of 3

Candidate 6

Task 1 - Value View

	A	B	C	D	E
1	PITCH UP INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER YEAR 3				
2			£		
3	Sales Revenue		548,000	✓ ₁	
4	Less Cost of Sales				
5	Inventory @ 1 January Year 3		4,800		
6	Purchases		249,000		
7			253,800		
8	Closing Inv		10,000	✓ ₁	
9			243,800		
10	L 0		304,200		
11	Less Expenses				
12	Advertising		5,500	✓ ₁ 0 0	
13	Finance Costs		7,500		
14	Depreciation - Machinery		27,600	0	
15	Cash & Cash Equivalents - Overdraft	0 E	2,400		
16	PBD		7,500	0	0
17	Salaries		64,750	✓ ₁ 0	
18			115,250		
19			188,950		
20	Add Other Income				
21	Carriage Inwards		2,800	0	
22	Discount Received		1,500	✓ ₁	
23	Profit for the Year		193,250		

5 out of 13

Task 1 - Formula View

	A	B	C
1	PITCH UP INCOME STATEMENT FOR THE YE		
2			£
3	=Data!A7		=Data!B7
4	Less Cost of Sales		
5	=Data!A6		=Data!B6
6	=Data!A8		=Data!B8
7			=SUM(C5:C6)
8	Closing Inv		10000
9			243800 X 0
10			=C3-C9
11	Less Expenses		
12	=Data!A12		=Data!B12+200
13	=Data!A16		=Data!B16
14	Depreciation - Machinery		=Data!B10
15	Cash & Cash Equivalents - Overdraft		=Data!B13
16	PBD		=Data!B11*0.75
17	=Data!A19		=Data!B19
18			=SUM(C12:C17)
19			=C10-C18
20	Add Other Income		
21	=Data!A20		=Data!B20
22	=Data!A14		=Data!B14
23	Profit for the Year		=C19+C21+C22

✓₁

1 out of 2

Task 2 – Value View

	A	B	C
7			
8	Gross Profit Ratio	56 %	C
9			
10	Average Inventory	£9,800	C
11			
12	Rate of Inventory Turnover	31 times	0
13			
14	Trade Payables Payment Period	44 days	C 0
15			
16	Trade Receivables Collection Period	8 days	C 0
17			
18	Current Assets	£23,900	✓1 0
19			
20	Current Liabilities	£172,300	0 0
21			
22	Current Ratio	0.14 :1	C
23			
24	Acid Test Ratio	0.08 :1	C 0

7 out of 14

Task 2 - Formula View

	A	B	
7			
8	Gross Profit Ratio	=Income!C10/Income!C3*100	%
9			
10	Average Inventory	=Income!C5+Income!C8/2 ✗ 0	
11			
12	Rate of Inventory Turnover	=Income!C10/B10	times
13			
14	Trade Payables Payment Period	=Data!B21/(Income!C6*40%)*365 ✓₁	days
15			
16	Trade Receivables Collection Period	=Data!B11/(Data!B7*80%)*365	days
17			
18	Current Assets	=Data!B11+Income!C8+Income!C15+Ir ✗ 0	
19			
20	Current Liabilities	=Data!B21+Data!B17+Income!C13+Inc	
21			
22	Current Ratio	=B18/B20	:1 ✓₁
23			
24	Acid Test Ratio	=(B18-B10)/B20	:1
25			

2 out of 4

Task 3 - Value View

PART A

Ratio	Year 2	Year 3	One possible reason for difference in each ratio
Current Ratio	2 :1	0.14 :1	In year 2 they had higher current assets ✓ ₁
Gross Profit Ratio	40 %	56 %	In year 2 they might have sold their goods for less or had a sale ✓ ₁
Trade Receivables Collection Period	30 days	8 days	In year 2 they might have allowed their customers a longer time to pay the money they owe them so customers would buy from them.

PART B

Ratio	One way of improving each ratio
Rate of Inventory Turnover	They might buy more inventory to get a higher ratio 0
Acid Test Ratio	They might sell assets to get more cash X 0
Trade Payables Payment Period	0

3 out of 6

Task 4 - Value View

	A	B	C	D	E	
4						
5	Maximum machine hours available	23,000				
6						
7		Pod	Tunnel	Hike		
8	Machine hours per unit	2.5	3	2		
9	Selling price per unit	£75	£80	£65		
10	Maximum demand (units)	3,600	3,300	2,800		
11	Variable cost per unit	£35	£44	£30		
12						
13		Pod	Tunnel	Hike	Total	
14	Machine hours required to meet					
15	maximum demand	9,000	9,900	5,600	24,500	
16						
17	Contribution per unit	£110.00	£124.00	£95.00		1
18						
19	Contribution per machine hour	£44.00	£41.33	£47.50		
20						
21	Order of priority	2	3	1		
22						
23	Machine hours to be used to					
24	maximise profits	22,500	29,700	11,200	63,400	0
25						
26	Units to be produced	9,000	9,900	5,600		
27						
28	Total contribution	£396,000	£409,200	£266,000	£1,071,200	0
29						
30	Fixed costs				£109,170	✓1
31						
32	Maximum profit				£1,180,370	0

4 out of 8

Task 4 - Formula View

	A	B	C	D	E
4					
5	Maximum machine hours available	23000			
6					
7		Pod	Tunnel	Hike	
8	Machine hours per unit	2.5	3	2	
9	Selling price per unit	75	80	65	
10	Maximum demand (units)	3600	3300	2800	
11	Variable cost per unit	35	44	30	
12					
13		Pod	Tunnel	Hike	Total
14	Machine hours required to meet				
15	maximum demand	=B10*B8	=C10*C8	=D10*D8	=SUM(B15:D15)
16					
17	Contribution per unit	=B9+B11	=C9+C11	=D9+D11	
18					
19	Contribution per machine hour	=B17/B8	=C17/C8	=D17/D8	✓ ₁
20					
21	Order of priority	2	3	1	
22					
23	Machine hours to be used to				
24	maximise profits	=B15*B8	=C15*C8	=D15*D8	=SUM(B24:D24)
25					
26	Units to be produced	=B24/B8	=C24/C8	=D24/D8	
27					
28	Total contribution	=B26*B19	=C26*C19	=D26*D19	=SUM(B28:D28)
29					
30	Fixed costs		✓ ₁		=121300*90%
31					
32	Maximum profit				=E28+E30

✓₁

3 out of 3