T Level Technical Qualification in Accounting

Mark Scheme (Results)

Autumn 2024

Paper 1: Business Principles of Accounting

Accounting Paper 1: Business Principles – Mark Scheme

General Marking Guidance

● All students must receive the same treatment. Examiners must mark the first student in exactly the same way as they mark the last.

● Mark schemes should be applied positively. Students 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.

● 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. Examiners should also be prepared to award zero marks if the student's response is not rewardable according to the mark scheme.

● Where judgement is required, a mark scheme will provide the principles by which marks will be awarded.

● When examiners are in doubt regarding the application of the mark scheme to a student's response, a senior examiner should be consulted.

● Crossed out work should be marked unless the student has replaced it with an alternative response.

● Accept incorrect/phonetic spelling (as long as the term is recognisable) unless instructed otherwise.

Points-Based Mark Scheme Guidance

Points-based mark schemes are made up of:

1) **Mark scheme rubric**
   A mark scheme rubric instructs an examiner as to how each mark is awarded.

2) **Example Responses**
   These demonstrate the type of acceptable responses that a student might provide and where each mark is awarded.

3) **Additional marking Guidance**
   This informs examiners about any parameters which should be applied e.g. 'accept any other appropriate/alternative responses.'

Applying the points-based mark scheme guidance

Examiners should follow the mark scheme rubric and use the example responses as a guide for the relevance and expectation of the responses. Students must be credited for any appropriate response. Should candidates provide answers that meet the rubric but in an alternative order, credit should be given.

Levels-Based Mark Scheme Guidance

Levels-based mark schemes (LBMS) have been designed to assess students' work holistically. Theyconsist of two parts:

1) **Indicative content**
   Indicative content reflects content-related points that a student might make but is not an exhaustive list. Nor is it a model answer. Students may make some or none of the points included in the indicative content as its purpose is as a guide for the relevance and expectationof the responses. Students must be credited for any appropriate response.

2) **Levels-based descriptors**
   Each level is made up of a number of traits which when combined together articulate the quality of response that a student needs to demonstrate. The traits progress across the levelsto demonstrate the different expectations of each level. When using a levels-based mark scheme, the 'best fit' approach should be used.

Applying the levels-based descriptors

Examiners should take a 'best fit' approach to determining the mark.

- Examiners should first make a holistic judgement on which level most closely matches the student's response. Students will be placed in the level that best describes their answer. Answers can display characteristics from more than one level, and where this happens markersmust use any additional guidance (e.g. weighting of traits) and their professional judgement to decide which level is most appropriate.

- The mark awarded within the level will be decided based on the quality of the answer and willbe modified according to how securely all traits are displayed at that level:

    - Marks will be awarded at the top of that level if the student has evidenced each of thedescriptor traits securely.

    - Where the response does not securely meet all traits, the marks should be awardedbased on how closely the descriptor has be

.

Section A Question

Question Number	Answer	Mark
1	Award **one** mark for a correct factor of production: Land / raw materials (1) Entrepreneurship (1) Labour (1) Capital (1)	1

Question Number	Answer	Mark
2	Award **one** mark for a correct characteristic: • Autonomous (1) • Accountable (1) • Ethical behaviour (1) • Specialised knowledge (1) • Adheres to codes of professional conduct (1) • Qualified/licensed to practice (1) • Represented by professional bodies (1) Accept any other appropriate/alternative responses.	1

Question Number	Answer	Mark
3	Award **one** mark for any of the following advantages, up to a maximum of **two** marks: • Flexible or adaptable (1) • Can tailor to meet specific research objectives (1) • Can adapt to changes and new ideas (1) • Allows for open-ended questions (1) • Can see interactions such as body language or facial expressions (1) • Can probe or explore views of customers as they come up (1) • Find out customer opinions on their products or services (1) • Can explore why they think the way they do (1) Accept any other appropriate/alternative responses.	2

Question Number	Answer	Mark
4	Award **one** mark for any of the following roles, • Financial / Management Accountants (1) • Chartered Accountants (1) • Auditing (1) • Payroll (1) • Taxation (1) Accept any other appropriate/alternative responses.	1

Question Number	Answer	Mark
5	Award **one** mark for an impact and **one** mark for an appropriate linked justification / expansion, • Using plastic packaging will become more expensive (1) resulting in a decrease in profits (1) • Encourage food manufacturing businesses to work with less plastic (1) and find more sustainable ways of packaging their product (1) Accept any other appropriate/alternative responses.	2

Question Number	Answer	Mark
6	Award **one** mark for the way and **one** mark for an appropriate linked justification / expansion, • The accounting practice should speak directly with those opposed to change (1), to understand why employees are opposed to the change (1) • The accounting practice needs to communicate clearly with employees (1) and clearly explain the reasons for the change (1) Accept any other appropriate/alternative responses.	2

Question Number	Answer	Mark
7	Award **one** mark for a impact and **one** mark for an appropriate linked justification / expansion, and **one** mark for a further expansion, up to a maximum of **three** marks Customer relationship management will allow the business to build a relationship with their customers (1) which will create loyalty/customer retention (1) which will lead to improved turnover and profitability. (1) Accept any other appropriate/alternative responses.	3

Question Number	Answer Indicative content	Mark
8	Students might refer to some/all of the following in their responses, but students should be rewarded for other pertinent contextualised answers. Advantages • No worry about having to pay the money back • No interest charges or late payment fees • No loss of company share or potential profits • Potentially able to get feedback on his products • Able to gauge interest in the product • Potential to use as free marketing of the product(s)/ can build a customer base from the start of the project Disadvantages • Potential failure to meet the finances required • Time/effort spent trying to convince customers to invest in you in a saturated market, making it difficult to raise the money • Potential for someone to steal your idea • May take time to get all the funds needed • Risk of not being able to meet the objectives set, resulting in negative opinions • Fees associated with crowdfunding Accept any other appropriate/alternative responses. Answers will only be accepted if linked to or qualified with information from the context of the question.	6

Level	Mark	Descriptor - Discuss 6 marks ALL traits carry equal weighting
0	0	• No rewardable material.
1	1 - 2	• Demonstrates a basic analysis of the situation by superficially breaking down the different aspects into their component parts (AO3a).

		• Demonstrates basic application of knowledge and understanding that is partially relevant to the context of the question (AO2).
2	3 - 4	• Demonstrates a good analysis of the situation by breaking down the different aspects into their component parts (AO3a). • Demonstrates good application of knowledge and understanding that is relevant to the context of the question (AO2).
3	5 – 6	• Demonstrates a thorough analysis of the situation by comprehensively breaking down the different aspects into their component parts (AO3a). • Demonstrates comprehensive application of knowledge and understanding that is consistently relevant to the context of the question (AO2).

Question Number	Answer	Mark
9a	Award **one** mark for an advantage and **one** mark for an appropriate linked justification / expansion • Limited liability (1), Ross as a shareholder/shareholders will be legally responsible for the debts of the company up to the value of his/their shares (1) • Easier to raise capital (1) Ross can sell shares to family and friends (1) Accept any other appropriate/alternative responses.	2

Question Number	Answer	Mark
9b	Award **one** mark for a reference to Corporation Tax and **one** mark for an appropriate linked comparison to Income Tax, up to a maximum of **two** marks. • Corporation Tax is calculated on the profits made by limited companies (1) whereas Income Tax is calculated on the wages/salaries of the employees (1) • Paying the correct amount of Corporation Tax is the responsibility of the company (1) whereas payment of the correct Income Tax is the responsibility of the employee (1) Accept any other appropriate/alternative responses. Do not accept 'income tax is calculated in income'.	2

Question Number	Answer	Mark
9c	Award **one** mark for an impact and **one** mark for an appropriate linked justification / expansion, and **one** mark for a further expansion, up to a maximum of **three** marks • RC Honey can take advantage of reclaiming back any VAT paid (1) which reduces production costs/expenses (1) which can improve profitability (1) • Any VAT reclaimed from purchases can be offset (1) against any VAT charged on sales (1) which can improve profitability (1) Accept any other appropriate/alternative responses.	3

Question Number	Answer Indicative Content	Mark
9d	Students might refer to some/all of the following in their responses, but students should be rewarded for other pertinent contextualised answers. Positives of using online banking • Allows for another method of receiving money from customers • Allows for another method of paying money for purchases/expenses • Notifications allow tracking of changes in account balances/when overdraft is in use • Up to date banking information / real time banking information • Allow for automation of some processes so that payments are not missed • Reduces human error in processing financial transactions • Ross will not need to go into his branch as often as most of his transactions can be done online Negatives of using online banking • Costs of equipment, and upgrades • Charges for having specialist business accounts • Increased risk of fraudulent activity • May need to update their data protection software to safeguard against breaches • May need additional training for staff • There is no longer a physical paper trail which can make it more difficult to keep track of money going in and out of the bank account. Conclusion The conclusion should be based on the student's own analysis and applied knowledge and understanding provided. It will draw on the evidence	9

	provided by the candidate to come to a supported judgement. Accept any other appropriate/alternative responses. Answers will only be accepted if linked to or qualified with information from the context of the question.	

Level	Mark	Descriptor – Assess 9 marks ALL traits carry equal weighting
0	0	• No rewardable material.
1	1 - 3	• Demonstrates a basic analysis of the situation by superficially breaking down the different aspects into their component parts (AO3a). • Demonstrates basic application of knowledge and understanding that is partially relevant to the context of the question (AO2). • Demonstrates a basic evaluation which partially considers different factors/events and competing points, leading to a conclusion which is superficial or unsupported (AO3b).
2	4 - 6	• Demonstrates a good analysis of the situation by breaking down the different aspects into their component parts (AO3a). • Demonstrates good application of knowledge and understanding that is relevant to the context of the question (AO2). • Demonstrates a good evaluation which considers different factors/events and competing points, leading to a conclusion which is partially supported (AO3b).
3	7 - 9	• Demonstrates a thorough analysis of the situation by comprehensively breaking down the different aspects into their component parts (AO3a). • Demonstrates comprehensive application of knowledge and understanding that is consistently relevant to the context of the question (AO2). • Demonstrates a thorough evaluation which comprehensively considers different factors/events and competing points, leading to a conclusion which is well supported (AO3b).

Question Number	Answer	Mark
10a	Award one mark for the correct calculation of depreciation each year up to two marks. Year 1 depreciation £20 000 (1) Year 2 depreciation £16 000 (1)	2

Question Number	Answer	Mark
10b	Award three marks for correct increase. Increase £9000 (3) Award a maximum of **one** mark for any correct stage of the calculation, up to **two** marks. Straight line depreciation = £25 000 per year (1) Reducing balance depreciation Year 2 = 16 000 (1) Difference = £9 000 (1)	3

Question Number	Answer	Mark
10c	Award **one** mark for the benefit and **one** mark for an appropriate linked justification / expansion, up to a maximum of **two** marks. • The partnership is better able to track their progress (1) this can be used to see if they are meeting predetermined benchmarks and milestones. (1) • It helps manage the material resources being used and management of contractor's time (1) which avoids wasting time and ensuring they remain on schedule (1) • It is an effective motivation tool (1) as members of the project team have set goals to reach and understand how their work contributes to the overall success of the project (1) Accept any other appropriate/alternative responses.	2

<table>
<tr><th>Question Number</th><th>Answer</th><th>Mark</th></tr>
<tr><td>10d</td><td>
Students might refer to some/all of the following in their responses, but students should be rewarded for other pertinent contextualised answers:

Advantages of converting to a private limited company:
• each partner will have limited liability
• will become a separate legal entity
• easier to raise finance
• improved status of the business
• improved creditability and professionalism

Disadvantages of converting to a private limited company:
• more complex administrative burden
• increased public scrutiny
• must abide by more rules and regulations
• shareholders interest may delay decision making
• increased cost of auditing the accounts

Accept any other appropriate/alternative responses. Answers will only be accepted if linked to or qualified with information from the context of the question.

<table>
<tr><th>Level</th><th>Mark</th><th>Descriptor – Discuss 9 marks
ALL traits carry equal weighting</th></tr>
<tr><td>0</td><td>0</td><td>• No rewardable material.</td></tr>
<tr><td>1</td><td>1 - 3</td><td>• Demonstrates a basic analysis of the situation by superficially breaking down the different aspects into their component parts (AO3a).
• Demonstrates basic application of knowledge and understanding that is partially relevant to the context of the question (AO2).
• Demonstrates a basic evaluation which partially considers different factors/events and competing points, leading to a conclusion which is superficial or unsupported (AO3b).</td></tr>
<tr><td>2</td><td>4 - 6</td><td>• Demonstrates a good analysis of the situation by breaking down the different aspects into their component parts (AO3a).
• Demonstrates good application of knowledge and understanding that is relevant to the context of the question (AO2).
• Demonstrates a good evaluation which considers different factors/events and competing points,</td></tr>
</table>
</td><td>9</td></tr>
</table>

			leading to a conclusion which is partially supported (AO3b).	
	3	7 - 9	• Demonstrates a thorough analysis of the situation by comprehensively breaking down the different aspects into their component parts (AO3a). • Demonstrates comprehensive application of knowledge and understanding that is consistently relevant to the context of the question (AO2). • Demonstrates a thorough evaluation which comprehensively considers different factors/events and competing points, leading to a conclusion which is well supported (AO3b).	

Question Number	Answer	Mark
10e	Students might refer to some/all of the following in their responses, but students should be rewarded for other pertinent contextualised answers. Positives for scaling back the project: • The partners can do what is necessary, such as cosmetic updates. This could include updating the furnishings, putting in new flooring or painting the walls. • No additional costs as they are using the funds available • Smaller project means less impact on staff and customers • They can look at doing some of the work themselves instead of outsourcing some of the work. For example, they could pay staff to come in and paint over the weekend. Negatives for scaling back the project • It could look cheap, especially if they use non-trades for some of the work • Any cash reserves would be spent meaning no cash for contingencies or emergency repairs to equipment • Staff may be unwilling to volunteer their services for menial tasks such as painting and cleaning • It may take longer which will negatively impact on staff and customers Positives for delaying the project • The partners have more time to save money to ensure that the job is done properly • Staff and customers will not be impacted by building work • Money can be invested to earn interest which can go towards future project work Negatives for delaying the project • Non-modernisation can put potential new customers off and make the practise less competitive	12

	• Money could be spent elsewhere, further delaying the project timescales • Staff may feel disappointed about the changes not happening Conclusion The conclusion should be based on the student's own analysis and applied knowledge and understanding provided. It will draw on the evidence provided by the candidate to come to a supported judgement. Accept any other appropriate/alternative responses. Answers will only be accepted if linked to or qualified with information from the context of the question.	

Level	Mark	Descriptor – Evaluate 12 marks ALL traits carry equal weighting
0	0	• No rewardable material.
1	1 - 4	• Demonstrates a basic analysis of the situation by superficially breaking down the different aspects into their component parts (AO3a). • Demonstrates basic application of knowledge and understanding that is partially relevant to the context of the question (AO2). • Demonstrates a basic evaluation which partially considers different factors/events and competing points, leading to a conclusion which is superficial or unsupported (AO3b).
2	5 - 8	• Demonstrates a good analysis of the situation by breaking down the different aspects into their component parts (AO3a). • Demonstrates good application of knowledge and understanding that is relevant to the context of the question (AO2). • Demonstrates a good evaluation which considers different factors/events and competing points, leading to a conclusion which is partially supported (AO3b).
3	9 - 12	• Demonstrates a thorough analysis of the situation by comprehensively breaking down the different aspects into their component parts (AO3a). • Demonstrates comprehensive application of knowledge and understanding that is consistently relevant to the context of the question (AO2). • Demonstrates a thorough evaluation which comprehensively considers different factors/events and competing points, leading to a conclusion which is well supported (AO3b).

Question Number	Answer	Mark
11a	Award **one** mark for a difference and **one** mark for an appropriate linked justification / expansion, and **one** mark for a further expansion, up to a maximum of **three** marks Liquidity is the ability of a business to pay their debts in the short term (1) whereas solvency is the ability of a business to pay their long-term debts (1) which requires assets to be in excess of liabilities (1) Accept any other appropriate/alternative responses.	3

Question Number	Answer	Mark
11b	Award **one** mark for each secondary research method, up to **two** marks, and **one** mark for each appropriate linked expansion / justification up to **two** marks • Using published information such as government census (1) this will provide information about the demographics of the population (1) • Using company accounts and annual reports (1) as this will give financial information about competitors/potential clients (1) • Using published market reports (1) this will give detailed information on the performance of a particular business sector (1) Accept any other appropriate/alternative responses.	4

Question Number	Answer Indicative Content	Mark
11c	Students might refer to some/all of the following in their responses, but students should be rewarded for other pertinent contextualised answers: **Advantages** • Analyses the changes in demographics to identify business opportunities • Can help identify test markets to determine what businesses or individuals are interested in • Can identify areas for future growth or opportunity • Helps the business to keep current or grow ahead of the industry for continual growth	9

	• Keeps the business updated of customer behavioural changes or trends • Helps with improving the quality of the services being offered • It can help identify what stage of the product lifecycle a product is at **Disadvantages** • The data may be of low quality or unreliable or out of date • The data could be biased or too complex to understand • Breaches in customer confidentiality – unethical use of data • The potential high cost of implementing data analysis correctly • The data is external only • The presentation and interpretation of the data is only as good as who conducts it **Conclusion** The conclusion should be based on the student's own analysis and applied knowledge and understanding provided. It will draw on the evidence provided by the candidate to come to a supported judgement. Accept any other appropriate/alternative responses. Answers will only be accepted if linked to or qualified with information from the context of the question.	

Level	Mark	Descriptor – Assess 9 marks ALL traits carry equal weighting
0	0	• No rewardable material.
1	1 - 3	• Demonstrates a basic analysis of the situation by superficially breaking down the different aspects into their component parts (AO3a). • Demonstrates basic application of knowledge and understanding that is partially relevant to the context of the question (AO2). • Demonstrates a basic evaluation which partially considers different factors/events and competing points, leading to a conclusion which is superficial or unsupported (AO3b).
2	4 - 6	• Demonstrates a good analysis of the situation by breaking down the different aspects into their component parts (AO3a). • Demonstrates good application of knowledge and understanding that is relevant to the context of the question (AO2). • Demonstrates a good evaluation which considers different factors/events and competing points, leading to a conclusion which is partially supported (AO3b).
3	7 - 9	• Demonstrates a thorough analysis of the situation by comprehensively breaking down the different aspects into their component parts (AO3a). • Demonstrates comprehensive application of knowledge and understanding that is consistently relevant to the context of the question (AO2). • Demonstrates a thorough evaluation which comprehensively considers different factors/events and competing points, leading to a conclusion which is well supported (AO3b).

Question Number	Answer	Mark
11d	Students might refer to some/all of the following in their responses, but students should be rewarded for other pertinent contextualised answers: **Purchasing new office furniture** • Positives ○ can purchase exactly what they need and can pre-determine their spending limits ○ better consumer protection ○ might look more professional when meeting with new clients ○ may be able to use finance to purchase new furniture - enabling spreading of payments • Negatives ○ Can be expensive with significant costs ○ Will need to pay for additional costs such as insurance to cover any damage or delivery costs ○ The furniture will depreciate losing value ○ Time required to assemble the furniture if it is flat packed **Purchasing recycled office furniture** • Positives ○ reductions in waste or items in landfill ○ will be cheaper than new office furniture, therefore depreciation could potentially be minimal ○ large selection of used office furniture meaning there is choice and availability ○ can be seen as a more ethical choice • Negatives ○ May have to arrange own delivery of items ○ No warranty on items ○ May have unknown hazards such as not being fireproof compliant, if bought from a private individual ○ May look less professional than new furniture ○ Have to pay cash up front **Conclusion** The conclusion should be based on the student's own analysis and applied knowledge and understanding provided. It will draw on the evidence provided by the candidate to come to a supported judgement. Accept any other appropriate/alternative responses. Answers will only be accepted if linked to or qualified with information from the context of the question.	12

	Accept any other appropriate/alternative responses.	

Level	Mark	Descriptor – Evaluate 12 marks ALL traits carry equal weighting
0	0	• No rewardable material.
1	1 - 4	• Demonstrates a basic analysis of the situation by superficially breaking down the different aspects into their component parts (AO3a). • Demonstrates basic application of knowledge and understanding that is partially relevant to the context of the question (AO2). • Demonstrates a basic evaluation which partially considers different factors/events and competing points, leading to a conclusion which is superficial or unsupported (AO3b).
2	5 - 8	• Demonstrates a good analysis of the situation by breaking down the different aspects into their component parts (AO3a). • Demonstrates good application of knowledge and understanding that is relevant to the context of the question (AO2). • Demonstrates a good evaluation which considers different factors/events and competing points, leading to a conclusion which is partially supported (AO3b).
3	9 - 12	• Demonstrates a thorough analysis of the situation by comprehensively breaking down the different aspects into their component parts (AO3a). • Demonstrates comprehensive application of knowledge and understanding that is consistently relevant to the context of the question (AO2). • Demonstrates a thorough evaluation which comprehensively considers different factors/events and competing points, leading to a conclusion which is well supported (AO3b).

'T-LEVELS' is a registered trade mark of the Department for Education.
'T Level' is a registered trade mark of the Institute for Apprenticeships and Technical Education.
The T Level Technical Qualification is a qualification approved and managed by the Institute for Apprenticeships and Technical Education.
'Institute for Apprenticeships & Technical Education' and logo are registered trade marks of the Institute for Apprenticeships and Technical Education.
Pearson Education Limited is authorised by the Institute for Apprenticeships and Technical Education to develop and deliver this Technical Qualification.
All the material in this publication is copyright © Pearson Education Limited 2024