

BAFS QUIZ 1 · RE-MARKED

Inventory valuation · Direct annotation · HKEAA review

GPT-6 | High effort | Skill + QP + AS + HKEAA 2025 + HKEAA 2026

PROVISIONAL SCORE RANGE

20–21 / 21

All calculations correct · 1 conditional point

Question breakdown

Q1	Delayed inventory-taking and valuation adjustments	8 / 8
Q2(a)	Weighted average cost and closing inventory	4 / 4
Q2(b)	Income statement; final profit point conditional	8–9 / 9
Section / grand total	20 supported points + 1 conditional point	20–21 / 21

What changes after the HKEAA review?

The previous assessment was 21/21 and treated the missing ‘Net profit’ label as carrying no deduction. That acceptance was too certain. HKEAA 2026, page 65, flags this omission in a candidate example. The \$97,350 figure is correct, but the one point previously assigned to the final profit is now conditional. Write ‘Net profit’ beside it.

Why a range remains necessary

The HKEAA documents are guidance for different examination questions, not the marking scheme for this school quiz. The 2025 notes, page 2, caution that criteria vary. Retaining the earlier inferred allocation gives 20/21 if the unlabelled result is rejected, or 21/21 if its clear position is accepted. Neither outcome is an official HKEAA score for this quiz.

Key: green ticks confirm correctness; blue figures show inferred points. A red cross flags the missing label; ‘0–1?’ identifies disputed credit, not an arithmetic error. Original answers are reproduced at full size. Source details and the re-marking record appear on page 4.

Answers written in the margins will not be marked.

1) Statement to calculate the inventory value as at 31 March 2021		
	\$	\$
Inventory valued as at 8 April 2021		44780
Add: Sales, at cost	6032 ✓ +1	
(\$7540 ÷ 125%)		
Goods sent to customer on sale-or-return basis, at cost	1200 ✓ +1	
(\$2000 × (1 - 40%))		
✓ +1 Goods drawn by owner, at cost	576	7806
(\$720 ÷ 125%)		
		52588
Less: Purchases	4560 ✓ +1	
Returns inwards, at cost	2000 ✓ +1	
(\$500 ÷ 125%)		
Goods revalued at net realisable value		
[\$1100 - (\$700 - \$100)]	500 ✓ +1	
✓ +1 Goods wrongly recorded	2400	9460
(\$3000 - 400 × \$6)		
Inventory value as at 31 March 2021	✓ +1	43128

Q1: 8 / 8

$$\begin{aligned}
 2a) \text{ Average unit cost} &= \frac{600 \times \$40 + 200 \times \$60 \times (1 - 20\%) + 800 \times \$56}{800 + 200 + 800 + 600} \\
 &= \frac{36000}{3400} \\
 &= \$51 \quad \checkmark +1 \\
 \text{Amount of closing inventory} &= \$51 \times (800 + 200 + 800 - 100 + 600 - 150 - 700) \\
 &= \$28050 \quad \checkmark +1
 \end{aligned}$$

Q2(a): 4 / 4

MARKER COMMENTS

Answer-sheet page 1 · Mode A

HKEAA review · quiz allocations inferred

Q1 · Reverse the April movements

Correct: add sales at cost \$6,032 and drawings at cost \$576; deduct purchases \$4,560 and returns inwards at cost \$2,000.

Q1 · Ownership and valuation

Correct: include the unaccepted 60% of sale-or-return goods, \$1,200. Reduce obsolete goods by \$500 because net realisable value is \$700 - \$100 = \$600. Correct the overstatement by \$2,400.

Q1 · Final inventory

The adjusted inventory value is \$43,128. All seven adjustment points and the final-result point are awarded under the inferred allocation.

Q2(a) · Weighted average cost

Correct: $\$122,400 \div 2,400 \text{ units} = \$51$; $550 \text{ closing units} \times \$51 = \$28,050$. HKEAA 2025, p. 49, supports using units available in the average-cost denominator, rather than closing units. The trade discount is correctly deducted.

Q2(a) · Inferred allocation

One point each: net purchase cost in the averaging calculation; average unit cost; closing quantity calculation; closing inventory value. The correct quantity calculation earns credit without a separate '550 units' line.

Answers written in the margins will not be marked.

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Kaspar Company				
Income Statement for the year ended 31 December 2026				
	\$		\$	
Sales (1000 x \$120 + 700 x \$140)		✓ +1	218000	
Less: cost of goods sold				
Opening inventory (800 x \$40)	32000	✓ +1		
Add: Purchases	90400	✓ +1		
(200 x \$60 x ((1-20%)+ 800 x \$50 + \$36000)	122400			
Less: Abnormal inventory loss (150 x \$51)	7650	✓ +1		
	114750			
✓ +1 Less: Closing inventory	28050		86700	
Gross profit		✓ +1	131300	
Less: Other expenses				
Salaries	16800	✓ +0.5		
Rent	11000	✓ +0.5		
Abnormal inventory loss	6150	✓ +1	33950	
(7650 - 10 x 150)		✓	97350	
		✗ 0-1?		

Q2(b): 8-9 / 9

MARKER COMMENTS

Answer-sheet page 2 · Mode A
HKEAA review · quiz allocations inferred

Q2(b) · Trading section

All trading figures are correct: sales \$218,000; opening inventory \$32,000; purchases \$90,400; fire loss \$7,650; closing inventory \$28,050; cost of goods sold \$86,700; gross profit \$131,300. Your deduction headings and item positions meet the relevant presentation concerns in HKEAA 2026, p. 13.

Q2(b) · Expenses and insurance

Salaries \$16,800 and rent \$11,000 are correct. The agreed insurance recovery is \$1,500, recognised for 2026 even though payment is due in 2027. The net fire loss is therefore \$6,150; deducting it as an expense is acceptable.

Q2(b) · Final profit and presentation

Total expenses \$33,950 and final profit \$97,350 are correct. The 'Net profit' label is missing. HKEAA 2026, p. 65, flags that omission. The earlier unconditional award is revised to one conditional point; the school's scheme must resolve acceptance.

Q2(b) · Inferred allocation

Eight points remain supported under the inferred rubric: sales, opening inventory, purchases, fire-loss exclusion, closing inventory, gross profit and net fire-loss expense, one each; salaries and rent, half each. The final profit point is 0-1 pending acceptance of its missing label. These are quiz allocations inferred by the marker, not copied HKEAA weights.

RE-MARKING RECORD AND SOURCES

Reviewed 19/10/2026 · Page numbers refer to the PDF page order

Evidence and resulting decision

Q1 · 8/8 retained

The inventory calculation remains \$43,128. No numerical or ownership error was identified. The 2025 discussion of acceptance of goods (p. 48) is consistent with treating the unaccepted portion as unsold; it does not supply this quiz's adjustment weights.

Q2(a) · 4/4 retained

Average cost \$51 and closing inventory \$28,050 remain correct. The 2025 weighted-average example (p. 49) corroborates the denominator principle. Its specific half-mark rule belongs to that examination question and has not been transplanted into this quiz.

Q2(b) · 8–9/9 replaces unconditional 9/9

All amounts remain correct. In 2026, p. 13, the trading and expense deductions require suitable headings; yours are present. Pages 64–65 show a separate income-statement example and flag omitted profit terminology. They do not state a universal one-mark penalty for this quiz.

One disputed point · previous feedback corrected

Earlier: correct final figure, one inferred point; missing label described as no deduction. Revised: correct final figure confirmed, missing label flagged, the same inferred point conditional. Lower outcome 20/21; upper outcome 21/21. No extra presentation penalty has been added.

Limit of authority

The 2025 guidance (p. 2) explains the question-specific nature of marking and permits reasoned alternatives. A definitive score requires the school quiz's scheme or teacher ruling. The numerical conclusions have stronger support than the reconstructed point weights.

Official documents consulted

[1] HKEAA 2025 Paper 2A briefing — pp. 2, 48–49

https://www.hkeaa.edu.hk/DocLibrary/HKDSE/Subject_Information/bafs/PowerPoint-BAFS-2025-03-rev.pdf

[2] HKEAA 2026 Paper 2A briefing — pp. 13, 64–65

https://www.hkeaa.edu.hk/DocLibrary/HKDSE/Subject_Information/bafs/PowerPoint-BAFS-2026-03-rev.pdf