



ACCOUNTING

0452/13

Paper 1

October/November 2017

MARK SCHEME

Maximum Mark: 120

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

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This document consists of **13** printed pages.

| Question | Answer | Marks |
|-----------------|---------------|--------------|
| 1(a) | D | 1 |
| 1(b) | C | 1 |
| 1(c) | B | 1 |
| 1(d) | C | 1 |
| 1(e) | C | 1 |
| 1(f) | A | 1 |
| 1(g) | D | 1 |
| 1(h) | B | 1 |
| 1(i) | B | 1 |
| 1(j) | A | 1 |

| Question | Answer | Marks | | | | | | | | | | | | | | | |
|---|--|---------------------------------|------------------|--|----------------------------|--|---|---|--|---|--------------------|---|-----------------|----------------------|--|-----------------|----------|
| 2(a) | The amount owed by the business to the owner. The funds put into the business/contributed by the owner (plus profits net of drawings). Any one for (1) mark | 1 | | | | | | | | | | | | | | | |
| 2(b) | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 40%;">Principle</td> </tr> <tr> <td>A trader withdraws goods for his own use and records this in the drawings account.</td> <td>Business entity (1)</td> </tr> <tr> <td>A book-keeper writes off debts which will not be paid to the business.</td> <td>Prudence/accruals (matching) (1)</td> </tr> <tr> <td>An accountant does not include staff morale as an asset in the statement of financial position.</td> <td>Money measurement (1)</td> </tr> <tr> <td>A business uses the double entry system of book-keeping to record transactions.</td> <td>Duality (1)</td> </tr> </table> | | Principle | A trader withdraws goods for his own use and records this in the drawings account. | Business entity (1) | A book-keeper writes off debts which will not be paid to the business. | Prudence/accruals (matching) (1) | An accountant does not include staff morale as an asset in the statement of financial position. | Money measurement (1) | A business uses the double entry system of book-keeping to record transactions. | Duality (1) | 4 | | | | | |
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| A book-keeper writes off debts which will not be paid to the business. | Prudence/accruals (matching) (1) | | | | | | | | | | | | | | | | |
| An accountant does not include staff morale as an asset in the statement of financial position. | Money measurement (1) | | | | | | | | | | | | | | | | |
| A business uses the double entry system of book-keeping to record transactions. | Duality (1) | | | | | | | | | | | | | | | | |
| 2(c) | Nominal (general) ledger | 1 | | | | | | | | | | | | | | | |
| 2(d) | (Limited) company | 1 | | | | | | | | | | | | | | | |
| 2(e) | Items which a business owns or which are owed to the business are known as ASSETS. | 1 | | | | | | | | | | | | | | | |
| 2(f) | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">document</th> <th style="width: 40%;">reason for issue</th> <th style="width: 30%;">name of person issuing document</th> </tr> </thead> <tbody> <tr> <td>invoice</td> <td><i>to record goods sold on credit</i></td> <td><i>Jake</i></td> </tr> <tr> <td>debit note</td> <td>to ask for reduction in invoice (1)</td> <td>Rashida (1)</td> </tr> <tr> <td>credit note</td> <td>to accept request for reduction in invoice (1)</td> <td>Jake (1)</td> </tr> <tr> <td>statement of account</td> <td>to summarise transactions for the month (1)</td> <td>Jake (1)</td> </tr> </tbody> </table> | document | reason for issue | name of person issuing document | invoice | <i>to record goods sold on credit</i> | <i>Jake</i> | debit note | to ask for reduction in invoice (1) | Rashida (1) | credit note | to accept request for reduction in invoice (1) | Jake (1) | statement of account | to summarise transactions for the month (1) | Jake (1) | 6 |
| document | reason for issue | name of person issuing document | | | | | | | | | | | | | | | |
| invoice | <i>to record goods sold on credit</i> | <i>Jake</i> | | | | | | | | | | | | | | | |
| debit note | to ask for reduction in invoice (1) | Rashida (1) | | | | | | | | | | | | | | | |
| credit note | to accept request for reduction in invoice (1) | Jake (1) | | | | | | | | | | | | | | | |
| statement of account | to summarise transactions for the month (1) | Jake (1) | | | | | | | | | | | | | | | |

| Question | Answer | | Marks |
|-----------------|--|------------------|--------------|
| 2(g) | | True or False | 3 |
| | Work in progress may appear in Jake's manufacturing account. | True (1) | |
| | Prime cost appears in Jake's income statement. | False (1) | |
| | Jake's business is a service business. | False (1) | |

| Question | Answer | Marks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------|---|-------|-------|--------|--------------|-----------------------|------|-----|-------|------------------------|-------------|-------|-----|--------|--------------|-------|-----|-------------------------|-------|-----|-----|----------------------------|------|-------|-----|--|----------------------|-----|-----|----------------------------|-------------|-----|-----|------------------------|--|-------|-----|--|-------------|-------|--|-------------------------|-------------|-----|-------|-----------------------|-----|-------|-------|---|
| 3(a) | A bank statement is a copy of the customer's account as it appears in the books of the bank. | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3(b) | <p style="text-align: center;">Kang-Dae Cash book (bank columns only)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">2017</td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">\$</td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">2017</td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">\$</td> </tr> <tr> <td>June 1</td> <td>Balance b/d</td> <td>1 310</td> <td>(1)</td> <td>June 1</td> <td>Bank charges</td> <td>60</td> <td>(1)</td> </tr> <tr> <td></td> <td>Nigel</td> <td>540</td> <td>(1)</td> <td></td> <td>Rent</td> <td>1 000</td> <td>(1)</td> </tr> <tr> <td></td> <td>Insurance (error)</td> <td>320</td> <td>(1)</td> <td></td> <td>Electricity</td> <td>400</td> <td>(1)</td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black;">2 170</td> <td></td> <td></td> <td>Balance c/d</td> <td style="border-top: 1px solid black;">710</td> <td></td> </tr> <tr> <td>June 1</td> <td>Balance b/d</td> <td style="border-top: 1px solid black;">710</td> <td>(1)OF</td> <td></td> <td></td> <td style="border-top: 1px solid black; border-bottom: 3px double black;">2 170</td> <td></td> </tr> </table> | | 2017 | | \$ | | 2017 | | \$ | June 1 | Balance b/d | 1 310 | (1) | June 1 | Bank charges | 60 | (1) | | Nigel | 540 | (1) | | Rent | 1 000 | (1) | | Insurance (error) | 320 | (1) | | Electricity | 400 | (1) | | | 2 170 | | | Balance c/d | 710 | | June 1 | Balance b/d | 710 | (1)OF | | | 2 170 | | 7 |
| | 2017 | | \$ | | 2017 | | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June 1 | Balance b/d | 1 310 | (1) | June 1 | Bank charges | 60 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Nigel | 540 | (1) | | Rent | 1 000 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | | 2 170 | | | Balance c/d | 710 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June 1 | Balance b/d | 710 | (1)OF | | | 2 170 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3(c) | <p style="text-align: center;">Kang-Dae Bank reconciliation statement at 1 June 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 35%;"></td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">\$</td> <td style="width: 35%;"></td> </tr> <tr> <td>Balance per cash book</td> <td>(1)</td> <td>710</td> <td>(1)OF</td> </tr> <tr> <td>Add unpresented cheque</td> <td></td> <td style="border-bottom: 1px solid black;">700</td> <td>(1)</td> </tr> <tr> <td></td> <td></td> <td>1 410</td> <td></td> </tr> <tr> <td>Less uncredited deposit</td> <td></td> <td style="border-bottom: 1px solid black;">620</td> <td>(1)</td> </tr> <tr> <td>Balance per bank statement</td> <td>(1)</td> <td style="border-bottom: 1px solid black;">790</td> <td>(1)</td> </tr> </table> <p>OR</p> <p style="text-align: center;">Kang-Dae Bank reconciliation statement at 1 June 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 35%;"></td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">\$</td> <td style="width: 35%;"></td> </tr> <tr> <td>Balance per bank statement</td> <td>(1)</td> <td>790</td> <td>(1)</td> </tr> <tr> <td>Add uncredited deposit</td> <td></td> <td style="border-bottom: 1px solid black;">620</td> <td>(1)</td> </tr> <tr> <td></td> <td></td> <td>1 410</td> <td></td> </tr> <tr> <td>Less unpresented cheque</td> <td></td> <td style="border-bottom: 1px solid black;">700</td> <td>(1)</td> </tr> <tr> <td>Balance per cash book</td> <td>(1)</td> <td style="border-bottom: 1px solid black;">710</td> <td>(1)OF</td> </tr> </table> | | | \$ | | Balance per cash book | (1) | 710 | (1)OF | Add unpresented cheque | | 700 | (1) | | | 1 410 | | Less uncredited deposit | | 620 | (1) | Balance per bank statement | (1) | 790 | (1) | | | \$ | | Balance per bank statement | (1) | 790 | (1) | Add uncredited deposit | | 620 | (1) | | | 1 410 | | Less unpresented cheque | | 700 | (1) | Balance per cash book | (1) | 710 | (1)OF | 6 |
| | | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Balance per cash book | (1) | 710 | (1)OF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add unpresented cheque | | 700 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 1 410 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Less uncredited deposit | | 620 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Balance per bank statement | (1) | 790 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Balance per cash book | (1) | 710 | (1)OF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question | Answer | Marks |
|----------|--|----------|
| 3(d) | A loan is of fixed amount but an overdraft is of varying amount. A loan is for a fixed term but an overdraft may be paid back at any time. A loan may require security but an overdraft may be unsecured. A loan may have a fixed rate of interest but an overdraft will have a variable rate. Any two for (1) each | 2 |
| 3(e) | Non-current liabilities | 1 |

| Question | Answer | Marks |
|----------|---|----------|
| 4(a) | $\frac{(17\,040 - 12\,780)}{42\,600} \times 100 = 10\%$ (1) (1) OF | 3 |
| 4(b) | 1 May 2015: Cash book (1) 1 August 2016: 1 Nominal (general) journal (1) 2 Cash book (1) | 3 |

| Question | Answer | | | Marks | | | | | | | | | | | | | | | | | | | | | |
|--|--|------------------------|--|-------------|--------------|--|--|-----------------|----------------------|---|-----------------------------|------------------------|---|---|-----------------------|--|-----------------------------|------------------------|---|---|-----------------------|--|---|------------------------|-----------|
| 4(c) | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 45%;"></th> <th style="width: 35%; text-align: center;">workings</th> <th style="width: 20%; text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>fixtures and fittings at cost on 31 December 2015</td> <td style="text-align: center;">42 600 + 12 000</td> <td style="text-align: center;">54 600 (1)</td> </tr> <tr> <td>fixtures and fittings at cost on 31 December 2016</td> <td style="text-align: center;">54 600 (OF) – 10 000</td> <td style="text-align: center;">44 600 (1)OF</td> </tr> <tr> <td>depreciation charge for the year ended 31 December 2015</td> <td style="text-align: center;">(54 600 (OF) × 10%) (1)OF</td> <td style="text-align: center;">5 460 (1)OF</td> </tr> <tr> <td>accumulated depreciation at 31 December 2015</td> <td style="text-align: center;">17 040 + 5 460 (1)OF</td> <td style="text-align: center;">22 500 (1)OF</td> </tr> <tr> <td>depreciation charge for the year ended 31 December 2016</td> <td style="text-align: center;">(44 600 (OF) × 10%) (1)OF</td> <td style="text-align: center;">4 460 (1)OF</td> </tr> <tr> <td>accumulated depreciation at 31 December 2016</td> <td style="text-align: center;">22 500 (1)OF + 4 460 (1)OF – 4 000 (1)</td> <td style="text-align: center;">22 960 (1)OF</td> </tr> </tbody> </table> | | | | workings | \$ | fixtures and fittings at cost on 31 December 2015 | 42 600 + 12 000 | 54 600 (1) | fixtures and fittings at cost on 31 December 2016 | 54 600 (OF) – 10 000 | 44 600 (1)OF | depreciation charge for the year ended 31 December 2015 | (54 600 (OF) × 10%) (1)OF | 5 460 (1)OF | accumulated depreciation at 31 December 2015 | 17 040 + 5 460 (1)OF | 22 500 (1)OF | depreciation charge for the year ended 31 December 2016 | (44 600 (OF) × 10%) (1)OF | 4 460 (1)OF | accumulated depreciation at 31 December 2016 | 22 500 (1)OF + 4 460 (1)OF – 4 000 (1) | 22 960 (1)OF | 12 |
| | workings | \$ | | | | | | | | | | | | | | | | | | | | | | | |
| fixtures and fittings at cost on 31 December 2015 | 42 600 + 12 000 | 54 600 (1) | | | | | | | | | | | | | | | | | | | | | | | |
| fixtures and fittings at cost on 31 December 2016 | 54 600 (OF) – 10 000 | 44 600 (1)OF | | | | | | | | | | | | | | | | | | | | | | | |
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| accumulated depreciation at 31 December 2016 | 22 500 (1)OF + 4 460 (1)OF – 4 000 (1) | 22 960 (1)OF | | | | | | | | | | | | | | | | | | | | | | | |
| 4(d) | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">debit entry</th> <th style="width: 50%; text-align: center;">credit entry</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">income statement (1)</td> <td style="text-align: center;">provision for depreciation of fixtures and fittings account (1)</td> </tr> </tbody> </table> | | | debit entry | credit entry | income statement (1) | provision for depreciation of fixtures and fittings account (1) | 2 | | | | | | | | | | | | | | | | | |
| debit entry | credit entry | | | | | | | | | | | | | | | | | | | | | | | | |
| income statement (1) | provision for depreciation of fixtures and fittings account (1) | | | | | | | | | | | | | | | | | | | | | | | | |
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| debit entry | credit entry | | | | | | | | | | | | | | | | | | | | | | | | |
| provision for depreciation of fixtures and fittings account (1) | disposal account (1) | | | | | | | | | | | | | | | | | | | | | | | | |
| 4(f) | <p>Reducing (diminishing) balance method (1) Annual percentage rate (1) is applied to the net book value (1) of the asset. OR Revaluation method (1) The difference between the opening and closing valuations is taken (1) and adjusted for any purchases or disposals (1)</p> | | | 3 | | | | | | | | | | | | | | | | | | | | | |

| Question | Answer | | | Marks |
|----------|---|---------------------|---------------------|----------|
| 4(g) | | capital expenditure | revenue expenditure | 4 |
| | cost of vehicle | ✓ (1) | | |
| | number plates | ✓ (1) | | |
| | fuel | | ✓ (1) | |
| | insurance of vehicle | | ✓ (1) | |
| 4(h) | Capital introduced Receipt of loan Proceeds of sale of non-current asset Any one for (1) mark | | | 1 |

| Question | Answer | Marks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|--|----------------|----------------|-------------------------------|----------------|-------------|------------------------|-----|----|--------|--------------|----------|-------|---------|--------|-------------|---------|-------|--|---------|---------|--------------------------|-------|------|-----------|------------|--------------|--------------|-----|---------------|--------------|---------------------|--|------------|--------------|--------------|------------------------|--|--|--|-------------------------------|----------|
| 5(a) | <p style="text-align: center;">Satisfish Suspense account</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></td> <td style="width: 10%; text-align: center;">2017</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">2017</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">\$</td> </tr> <tr> <td></td> <td>Jun 30</td> <td>Drawings</td> <td style="text-align: right;">2 000</td> <td style="text-align: right;">(1)</td> <td>Jun 30</td> <td>Balance b/d</td> <td style="text-align: right;">3 900</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td>Capital</td> <td style="text-align: right;"><u>2 000</u></td> <td style="text-align: right;">(1)</td> <td></td> <td>Purchases</td> <td style="text-align: right;"><u>100</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>4 000</u></td> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>4 000</u></td> <td></td> </tr> </table> | | 2017 | | \$ | | 2017 | | \$ | | Jun 30 | Drawings | 2 000 | (1) | Jun 30 | Balance b/d | 3 900 | (1) | | | Capital | <u>2 000</u> | (1) | | Purchases | <u>100</u> | (1) | | | | <u>4 000</u> | | | | <u>4 000</u> | | 4 | | | | | |
| | 2017 | | \$ | | 2017 | | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Jun 30 | Drawings | 2 000 | (1) | Jun 30 | Balance b/d | 3 900 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Capital | <u>2 000</u> | (1) | | Purchases | <u>100</u> | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | <u>4 000</u> | | | | <u>4 000</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5(b)(i) | <p style="text-align: center;">Satisfish Statement of correction of gross profit for the year ended 30 June 2017</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 15%; text-align: center;">No Effect</th> <th style="width: 15%; text-align: center;">Increase \$</th> <th style="width: 15%; text-align: center;">Decrease \$</th> <th style="width: 25%; text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Draft gross profit</td> <td></td> <td></td> <td></td> <td style="text-align: right;">20 000</td> </tr> <tr> <td>Error 1</td> <td></td> <td style="text-align: right;">400 (2)</td> <td></td> <td style="background-color: #cccccc;"></td> </tr> <tr> <td>Error 2</td> <td></td> <td></td> <td style="text-align: right;">550 (2)</td> <td style="background-color: #cccccc;"></td> </tr> <tr> <td>Error 3</td> <td></td> <td></td> <td style="text-align: right;">100 (2)</td> <td style="background-color: #cccccc;"></td> </tr> <tr> <td>Error 4</td> <td style="text-align: center;">✓ (1)</td> <td></td> <td></td> <td style="background-color: #cccccc;"></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>400</u></td> <td style="text-align: right;"><u>650</u></td> <td style="text-align: right;"><u>(250)</u></td> </tr> <tr> <td>Corrected gross profit</td> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>19 750</u> (1)OF</td> </tr> </tbody> </table> <p>*(2 marks) = (1) for right column, and second mark for correct amount</p> | | No Effect | Increase \$ | Decrease \$ | \$ | Draft gross profit | | | | 20 000 | Error 1 | | 400 (2) | | | Error 2 | | | 550 (2) | | Error 3 | | | 100 (2) | | Error 4 | ✓ (1) | | | | | | <u>400</u> | <u>650</u> | <u>(250)</u> | Corrected gross profit | | | | <u>19 750</u> (1)OF | 8 |
| | No Effect | Increase \$ | Decrease \$ | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Draft gross profit | | | | 20 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Error 1 | | 400 (2) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Error 2 | | | 550 (2) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Error 3 | | | 100 (2) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Error 4 | ✓ (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <u>400</u> | <u>650</u> | <u>(250)</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Corrected gross profit | | | | <u>19 750</u> (1)OF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5(b)(ii) | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 40%;"></td> </tr> <tr> <td>Corrected gross profit</td> <td></td> <td></td> <td style="text-align: right;">19 750</td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">6 000</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">2 800</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other operating expenses</td> <td style="text-align: right;">4 180</td> <td style="text-align: right;">(2)*</td> <td></td> <td></td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;"><u>1 500</u></td> <td style="text-align: right;">(1)</td> <td style="text-align: right;"><u>14 480</u></td> <td></td> </tr> <tr> <td>Profit for the year</td> <td></td> <td></td> <td style="text-align: right;"><u>5 270</u></td> <td style="text-align: right;">(1)OF</td> </tr> </table> <p>*2 marks for all three components, 1 mark for two components</p> | | \$ | | \$ | | Corrected gross profit | | | 19 750 | (1)OF | Rent | 6 000 | | | | Wages | 2 800 | | | | Other operating expenses | 4 180 | (2)* | | | Depreciation | <u>1 500</u> | (1) | <u>14 480</u> | | Profit for the year | | | <u>5 270</u> | (1)OF | 5 | | | | | |
| | \$ | | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Corrected gross profit | | | 19 750 | (1)OF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rent | 6 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wages | 2 800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other operating expenses | 4 180 | (2)* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Depreciation | <u>1 500</u> | (1) | <u>14 480</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit for the year | | | <u>5 270</u> | (1)OF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question | Answer | Marks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------|--|-----------------------------------|-------------------------|-----------------------------------|-------------------------|--------------------|--|--|--|-----------------------|-------------------|------------------|--------------|----------------|--|--|--|-------------------------|--|--|-----------|---------------------------------|--|--|------------------|--|--|--|--------------|--------------|--|--|---------------|------------------------|--|--|------------|--------------------|--|--|-----------|--------|--|--|--------------------|--|--|--|--------|----------|--|--|------------------|-------------------------|--|--|---------------|---------------------|--|--|--|----------------|--|--|-----------|------|--|--|----------------|-------------------|--|--|--------------|--|--|--|---------------|----|
| 5(c) | <p>Satish</p> <p>Statement of Financial Position at 30 June 2017</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 15%; text-align: center;">\$ Cost</th> <th style="width: 15%; text-align: center;">\$ Accumulated depreciation</th> <th style="width: 10%; text-align: center;">\$ Net book value</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Fixtures and fittings</td> <td style="text-align: right;"><u>12 000 (1)</u></td> <td style="text-align: right;"><u>4 500 (1)</u></td> <td style="text-align: right;"><u>7 500</u></td> </tr> <tr> <td>Current assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Inventory (4 620 – 550)</td> <td></td> <td></td> <td style="text-align: right;">4 070 (1)</td> </tr> <tr> <td>Trade receivables (3 100 + 400)</td> <td></td> <td></td> <td style="text-align: right;"><u>3 500 (1)</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>7 570</u></td> </tr> <tr> <td>Total assets</td> <td></td> <td></td> <td style="text-align: right;"><u>15 070</u></td> </tr> <tr> <td>Capital at 1 July 2016</td> <td></td> <td></td> <td style="text-align: right;">14 200 (1)</td> </tr> <tr> <td>Capital introduced</td> <td></td> <td></td> <td style="text-align: right;">2 000 (1)</td> </tr> <tr> <td>Profit</td> <td></td> <td></td> <td style="text-align: right;"><u>5 270 (1)OF</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">21 470</td> </tr> <tr> <td>Drawings</td> <td></td> <td></td> <td style="text-align: right;"><u>8 900 (1)</u></td> </tr> <tr> <td>Capital at 30 June 2017</td> <td></td> <td></td> <td style="text-align: right;"><u>12 570</u></td> </tr> <tr> <td>Current liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Trade payables</td> <td></td> <td></td> <td style="text-align: right;">1 900 (1)</td> </tr> <tr> <td>Bank</td> <td></td> <td></td> <td style="text-align: right;"><u>600 (1)</u></td> </tr> <tr> <td>Total liabilities</td> <td></td> <td></td> <td style="text-align: right;"><u>2 500</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>15 070</u></td> </tr> </tbody> </table> <p>Accept alternative presentation</p> | | \$ Cost | \$ Accumulated depreciation | \$ Net book value | Non-current assets | | | | Fixtures and fittings | <u>12 000 (1)</u> | <u>4 500 (1)</u> | <u>7 500</u> | Current assets | | | | Inventory (4 620 – 550) | | | 4 070 (1) | Trade receivables (3 100 + 400) | | | <u>3 500 (1)</u> | | | | <u>7 570</u> | Total assets | | | <u>15 070</u> | Capital at 1 July 2016 | | | 14 200 (1) | Capital introduced | | | 2 000 (1) | Profit | | | <u>5 270 (1)OF</u> | | | | 21 470 | Drawings | | | <u>8 900 (1)</u> | Capital at 30 June 2017 | | | <u>12 570</u> | Current liabilities | | | | Trade payables | | | 1 900 (1) | Bank | | | <u>600 (1)</u> | Total liabilities | | | <u>2 500</u> | | | | <u>15 070</u> | 10 |
| | \$ Cost | \$ Accumulated depreciation | \$ Net book value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-current assets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fixtures and fittings | <u>12 000 (1)</u> | <u>4 500 (1)</u> | <u>7 500</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current assets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Inventory (4 620 – 550) | | | 4 070 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade receivables (3 100 + 400) | | | <u>3 500 (1)</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | <u>7 570</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total assets | | | <u>15 070</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital at 1 July 2016 | | | 14 200 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital introduced | | | 2 000 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit | | | <u>5 270 (1)OF</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 21 470 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Drawings | | | <u>8 900 (1)</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital at 30 June 2017 | | | <u>12 570</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade payables | | | 1 900 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank | | | <u>600 (1)</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total liabilities | | | <u>2 500</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | <u>15 070</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question | Answer | Marks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|----------|-------|----|--|---------------------|--|--------|--|-----------------------------|-------|--|-----|----------|-------|--|-----|--|--|-------|--|--|--|--------|--|-------------------------|-------|--|-------|----------|-------|--|-------|--|--|--------|--|----------|
| 6(a) | A business in which two or more people work together as owners. | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6(b) | <p style="text-align: center;">Amina and Samara Appropriation Account for the year ended 30 June 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;">17 500</td> <td></td> </tr> <tr> <td>Interest on capital – Amina</td> <td style="text-align: right;">5 500</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>– Samara</td> <td style="text-align: right; border-bottom: 1px solid black;">2 000</td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">(1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">7 500</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">10 000</td> <td></td> </tr> <tr> <td>Share of profit – Amina</td> <td style="text-align: right;">6 000</td> <td></td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td>– Samara</td> <td style="text-align: right; border-bottom: 1px solid black;">4 000</td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">(1)OF</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">10 000</td> <td></td> </tr> </table> | | \$ | \$ | | Profit for the year | | 17 500 | | Interest on capital – Amina | 5 500 | | (1) | – Samara | 2 000 | | (1) | | | 7 500 | | | | 10 000 | | Share of profit – Amina | 6 000 | | (1)OF | – Samara | 4 000 | | (1)OF | | | 10 000 | | 4 |
| | \$ | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit for the year | | 17 500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on capital – Amina | 5 500 | | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| – Samara | 2 000 | | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 7 500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 10 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Share of profit – Amina | 6 000 | | (1)OF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| – Samara | 4 000 | | (1)OF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 10 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question | Answer | | | | | | | | Marks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|-------------|--------------|-------------|---------------------|-------------|--------------|------------------|----------|--------------|---------|-------------|--------------|--------|---------|-------------|--------------|--------|-------------|----------|-------|------------|------------|-------------|------------|-------|-----|--|-------------|-------|--|-------------|---------------------|-------|-------|--------|--|--|--|--|--------|-----------------|-------|-------|--------|--------|--|--|--|--|-------------|------------|-------------|--------|--------|------------------|--------|--------|--|--|--------|--------|--|-------|-------------|--|-------|-------|-------------|-------|--|-------|----------|
| 6(c) | Amina and Samara Capital accounts | | | | | | | | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 15%;">Details</th> <th style="width: 10%;">Amina \$</th> <th style="width: 10%;">Samara \$</th> <th style="width: 10%;">Date</th> <th style="width: 15%;">Details</th> <th style="width: 10%;">Amina \$</th> <th style="width: 10%;">Samara \$</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>2017 Jun 30</td> <td>Balance c/d</td> <td style="text-align: right;">60 000</td> <td style="text-align: right;">20 000</td> <td>2016 Jul 1</td> <td>Balance b/d</td> <td style="text-align: right;">50 000</td> <td style="text-align: right;">20 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>2017 Jan 1</td> <td></td> <td></td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Cash</td> <td style="text-align: right;">10 000</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">60 000</td> <td style="border-top: 1px solid black; text-align: right;">20 000</td> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">60 000</td> <td style="border-top: 1px solid black; text-align: right;">20 000</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>2017 Jul 1</td> <td>Balance b/d</td> <td style="text-align: right;">60 000</td> <td style="text-align: right;">20 000</td> <td style="text-align: right;">(1) OF</td> </tr> </tbody> </table> | Date | Details | Amina \$ | Samara \$ | Date | Details | Amina \$ | | Samara \$ | | 2017 Jun 30 | Balance c/d | 60 000 | 20 000 | 2016 Jul 1 | Balance b/d | 50 000 | 20 000 | (1) | | | | | 2017 Jan 1 | | | | (1) | | | | | | Cash | 10 000 | | | | | 60 000 | 20 000 | | | 60 000 | 20 000 | | | | | | 2017 Jul 1 | Balance b/d | 60 000 | 20 000 | (1) OF | | | | | | | | | | | | | | | | | |
| Date | Details | Amina \$ | Samara \$ | Date | Details | Amina \$ | Samara \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017 Jun 30 | Balance c/d | 60 000 | 20 000 | 2016 Jul 1 | Balance b/d | 50 000 | 20 000 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | 2017 Jan 1 | | | | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | Cash | 10 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 60 000 | 20 000 | | | 60 000 | 20 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | 2017 Jul 1 | Balance b/d | 60 000 | 20 000 | (1) OF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="9" style="text-align: center;">Current accounts</th> </tr> <tr> <th style="width: 10%;">Date</th> <th style="width: 15%;">Details</th> <th style="width: 10%;">Amina \$</th> <th style="width: 10%;">Samara \$</th> <th style="width: 10%;">Date</th> <th style="width: 15%;">Details</th> <th style="width: 10%;">Amina \$</th> <th style="width: 10%;">Samara \$</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>2017 Jun 30</td> <td>Drawings</td> <td style="text-align: right;">8 000</td> <td style="text-align: right;">12 000 (1)</td> <td>2016 Jul 1</td> <td>Balance b/d</td> <td style="text-align: right;">4 000</td> <td style="text-align: right;">3 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td>Balance c/d</td> <td style="text-align: right;">7 500</td> <td></td> <td>2017 Jun 30</td> <td>Interest on capital</td> <td style="text-align: right;">5 500</td> <td style="text-align: right;">2 000</td> <td style="text-align: right;">(1of)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Share of profit</td> <td style="text-align: right;">6 000</td> <td style="text-align: right;">4 000</td> <td style="text-align: right;">(1of)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Balance c/d</td> <td></td> <td style="text-align: right;">3 000</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">15 500</td> <td style="border-top: 1px solid black; text-align: right;">12 000</td> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">15 500</td> <td style="border-top: 1px solid black; text-align: right;">12 000</td> <td></td> </tr> <tr> <td>Jul 1</td> <td>Balance b/d</td> <td></td> <td style="text-align: right;">3 000</td> <td>Jul 1</td> <td>Balance b/d</td> <td style="text-align: right;">7 500</td> <td></td> <td style="text-align: right;">(1of)</td> </tr> </tbody> </table> <p>Where appropriate mark is for both entries</p> | Current accounts | | | | | | | | | Date | Details | Amina \$ | Samara \$ | Date | Details | Amina \$ | Samara \$ | | 2017 Jun 30 | Drawings | 8 000 | 12 000 (1) | 2016 Jul 1 | Balance b/d | 4 000 | 3 000 | (1) | | Balance c/d | 7 500 | | 2017 Jun 30 | Interest on capital | 5 500 | 2 000 | (1of) | | | | | | Share of profit | 6 000 | 4 000 | (1of) | | | | | | Balance c/d | | 3 000 | | | | 15 500 | 12 000 | | | 15 500 | 12 000 | | Jul 1 | Balance b/d | | 3 000 | Jul 1 | Balance b/d | 7 500 | | (1of) | 5 |
| Current accounts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date | Details | Amina \$ | Samara \$ | Date | Details | Amina \$ | Samara \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017 Jun 30 | Drawings | 8 000 | 12 000 (1) | 2016 Jul 1 | Balance b/d | 4 000 | 3 000 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Balance c/d | 7 500 | | 2017 Jun 30 | Interest on capital | 5 500 | 2 000 | (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | Share of profit | 6 000 | 4 000 | (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | Balance c/d | | 3 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 15 500 | 12 000 | | | 15 500 | 12 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul 1 | Balance b/d | | 3 000 | Jul 1 | Balance b/d | 7 500 | | (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6(d) | Profit for the year would be lower by the amount of the loan interest. (1) Interest on capital would be lower by the interest on the additional capital. (1) Shares of profit might be higher or lower depending on rate of loan interest. (1) Max 2 | | | | | | | | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question | Answer | Marks |
|-----------------|--|--------------|
| 6(e) | Samara has a debit balance on her current account (1) which means that she owes funds to the business. (1) Samara's drawings are greater than her total allocation of profit, (1) which means she is reducing the capital of the business. (1) The partnership agreement could be amended (1) to introduce a partner's salary/interest on drawings/change in the profit sharing ratio. (1) Amina has had to introduce additional capital (1) in order to run the day to day business/cover what Samara has taken as drawings. (1) One mark for basic point, plus one for development to max 4 | 4 |