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**ACCOUNTING**

**0452/22**

Paper 2

**October/November 2017**

MARK SCHEME

Maximum Mark: 120

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**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.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2017 series for most Cambridge IGCSE<sup>®</sup>, Cambridge International A and AS Level components and some Cambridge O Level components.

Question	Answer						Marks
1(a)(i)	Saffie Petty Cash Book						<b>9</b>
	Total received	Date	Details	Total paid	Travel	Postage & stationery	Ledger accounts
	\$	2017		\$	\$	\$	\$
	63	Sept 1	<i>Balance</i> <i>b/d</i>				
	87	3	Bank <b>(1)</b>	12	12		
		11	Taxi fare <b>(1)</b>	64		64	
		21	Stationery <b>(1)</b>	29			29
		30	Faariqa <b>(1)</b>	22		22	
			Postage <b>(1)</b>	127	12	86	29
			<i>Balance</i> <i>c/d</i>	23			
	150			150			
	23	2017	<i>Balance</i> <i>b/d</i> <b>(1)OF</b>				
		Oct 1					
	+ (1) dates + (1)OF totalling analysis columns + (1)OF totalling total columns						

Question	Answer										Marks																																																																																																				
1(a)(ii)	Saffie Cash Book										<b>10</b>																																																																																																				
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2(c)	Loan interest to pay every year. Loan interest to pay irrespective of profits. Loan to be repaid by given date.  <b>Or other suitable point</b> <b>Any 1 point (1)</b>	<b>1</b>
2(d)	Introduce additional capital Take a partner Convert to a limited company Mortgage the premises Borrow from family and friends See if government grants are available  <b>Or other suitable point</b> <b>Any 2 points (1) each</b>	<b>2</b>

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3(d)	\$205	<b>1</b>																					
3(e)	Current assets	<b>1</b>																					
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<b>Question</b>	<b>Answer</b>	<b>Marks</b>
4(c)	<p>The business is treated as being separate from the owner. (1)</p> <p><b>Example</b> Rates and insurance for personal use were excluded. (1)</p>	<b>2</b>
4(d)	<p>Should compare with a business in the same trade. Should compare with a business of approximately the same size. Should compare with a business of the same type (sole trader). The financial statements may be for one year, which will not show trends. The financial statements may be for one year which is not a typical year. The financial year may end on different dates (when inventories are high/low). The businesses may apply different accounting policies. The statements do not show non-monetary factors. It may not be possible to obtain all the information needed to make comparisons.</p> <p><b>Or other suitable points</b></p> <p><b>Any 2 points (1) for basic statement and (1) for development</b></p>	<b>4</b>

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5(c)	<p>Capital expenditure:                      Money spent on acquiring, improving and installing non-current assets. <b>(1)</b>                      Any suitable example, such as purchase of premises. <b>(1)</b></p> <p>Revenue expenditure:                      Money spent on running the business on a day-to-day basis. <b>(1)</b>                      Any suitable example, such as payment of wages. <b>(1)</b></p> <p>Revenue receipts:                      Amounts received in the day-to-day trading activities from revenue and other items of income. <b>(1)</b>                      Any suitable example, such as rent received. <b>(1)</b></p>	<b>6</b>																																

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5(d)	Effect on assets		Effect on liabilities		Effect on profit		<b>8</b>	
	Overstated	Understated	Overstated	Understated	Overstated	Understated		
	\$	\$	\$	\$	\$	\$		
	Error 1	550	–	–	–	450		–
	Error 2	–	–	–	375 (2)	375 (2)		–
	Error 3	150 (2)				150 (2)		
	<b>For each entry – (1) for position and (1) for amount</b>							