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**ACCOUNTING**

**0452/12**

Paper 1

**October/November 2018**

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 2018 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

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This document consists of **19** printed pages.

**PUBLISHED****Generic Marking Principles**

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

**GENERIC MARKING PRINCIPLE 1:**

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

**GENERIC MARKING PRINCIPLE 2:**

Marks awarded are always **whole marks** (not half marks, or other fractions).

**GENERIC MARKING PRINCIPLE 3:**

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

**GENERIC MARKING PRINCIPLE 4:**

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

**GENERIC MARKING PRINCIPLE 5:**

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

**GENERIC MARKING PRINCIPLE 6:**

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Question	Answer	Marks
	Glossary  <b>(d)</b> A $10\,000 \times 0.15$ B $10\,000 \times (0.4 - 0.15)$ C $10\,000 \times (1 - 0.4)$ D $10\,000 \times (1 - 0.15)$  <b>(e)</b> A $48\,700 - 29\,100 - 8000$ B $48\,700 - 8000$ C $67\,400 + 48\,700 - 29\,100 - 8000$ D $67\,400 + 48\,700 - 8000$  <b>(h)</b> A $1750 + 858$ B $1750 + 924$ C $1850 + 858$ D $1850 + 924$	
1(a)	D	1
1(b)	B	1
1(c)	D	1
1(d)	B	1
1(e)	D	1
1(f)	A	1
1(g)	C	1
1(h)	A	1
1(i)	C	1
1(j)	B	1

Question	Answer	Marks																																		
2(a)	<p style="text-align: center;">Jennifer Journal</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th data-bbox="703 316 896 414">Date 2018</th> <th data-bbox="896 316 1346 414"></th> <th data-bbox="1346 316 1480 414">Debit \$</th> <th data-bbox="1480 316 1796 414">Credit \$</th> </tr> </thead> <tbody> <tr> <td data-bbox="703 414 896 481">Jun 1</td> <td data-bbox="896 414 1346 481">Delivery van/Motor vehicles</td> <td data-bbox="1346 414 1480 481">15 000</td> <td data-bbox="1480 414 1796 481" rowspan="2" style="text-align: center;">} (1) both</td> </tr> <tr> <td data-bbox="703 481 896 549"></td> <td data-bbox="896 481 1346 549">Fixtures and fittings</td> <td data-bbox="1346 481 1480 549">2 700</td> </tr> <tr> <td data-bbox="703 549 896 616"></td> <td data-bbox="896 549 1346 616">Inventory</td> <td data-bbox="1346 549 1480 616">6 200</td> <td data-bbox="1480 549 1796 616" rowspan="2" style="text-align: center;">} (1) both</td> </tr> <tr> <td data-bbox="703 616 896 683"></td> <td data-bbox="896 616 1346 683">Cash</td> <td data-bbox="1346 616 1480 683">1 500</td> </tr> <tr> <td data-bbox="703 683 896 750"></td> <td data-bbox="896 683 1346 750">Loan from Amina</td> <td data-bbox="1346 683 1480 750"></td> <td data-bbox="1480 683 1796 750">5 000 (1)</td> </tr> <tr> <td data-bbox="703 750 896 817"></td> <td data-bbox="896 750 1346 817">Capital</td> <td data-bbox="1346 750 1480 817"></td> <td data-bbox="1480 750 1796 817">20 400 (1)</td> </tr> <tr> <td data-bbox="703 817 896 884"></td> <td data-bbox="896 817 1346 884"></td> <td data-bbox="1346 817 1480 884">25 400</td> <td data-bbox="1480 817 1796 884">25 400</td> </tr> <tr> <td data-bbox="703 884 896 970"></td> <td data-bbox="896 884 1346 970">Assets, liabilities and capital at the start of the business (1)</td> <td data-bbox="1346 884 1480 970"></td> <td data-bbox="1480 884 1796 970"></td> </tr> </tbody> </table>	Date 2018		Debit \$	Credit \$	Jun 1	Delivery van/Motor vehicles	15 000	} (1) both		Fixtures and fittings	2 700		Inventory	6 200	} (1) both		Cash	1 500		Loan from Amina		5 000 (1)		Capital		20 400 (1)			25 400	25 400		Assets, liabilities and capital at the start of the business (1)			<b>5</b>
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2(b)	Useful because it may be necessary to recall the reasons/it can involve non-regular transactions/can contain a reference to any prime documents. <b>(1 mark for any acceptable purpose)</b>	<b>1</b>																																		

Question	Answer	Marks
2(c)	Purchase/sale of non-current assets on credit Non-regular transactions not recorded in any other book of prime entry Correction of errors Year end transfers <b>(1 mark per use – maximum 2)</b>	<b>2</b>
2(d)	2 October 2018 Purchased office equipment <b>(1)</b> , for cash <b>(1)</b>  3 October 2018 Purchased motor vehicle <b>(1)</b> , on credit <b>(1)</b>  4 October 2018 Took drawings <b>(1)</b> , in cash <b>(1)</b>	<b>6</b>
2(e)	Duality	<b>1</b>
2(f)(i)	What the business owns and what is owed to the business	<b>1</b>
2(f)(ii)	What the business owes	<b>1</b>
2(f)(iii)	Resources provided by the owner of the business/what the business owes to the owner of the business	<b>1</b>
2(g)	Statement of the assets, liabilities, capital <b>(1)</b> of the business on a certain date <b>(1)</b>	<b>2</b>

Question	Answer	Marks																																							
3(a)	<p style="text-align: center;">Saul Corrected Trial Balance at 31 March 2018</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Debit \$</th> <th style="text-align: center;">Credit \$</th> </tr> </thead> <tbody> <tr> <td>Motor vehicle at net book value</td> <td style="text-align: center;">38 000</td> <td></td> </tr> <tr> <td>Revenue</td> <td></td> <td style="text-align: center;">109 000 (1)</td> </tr> <tr> <td>Purchases</td> <td style="text-align: center;">80 230 (1)</td> <td></td> </tr> <tr> <td>Inventory</td> <td style="text-align: center;">5 100 (1)</td> <td></td> </tr> <tr> <td>Bank overdraft</td> <td></td> <td style="text-align: center;">13 900 (1)</td> </tr> <tr> <td>Cash in hand</td> <td style="text-align: center;">1 500</td> <td></td> </tr> <tr> <td>Drawings</td> <td style="text-align: center;">6 500 (1)</td> <td></td> </tr> <tr> <td>Discount allowed</td> <td style="text-align: center;">720 (1)</td> <td></td> </tr> <tr> <td>Other operating expenses</td> <td style="text-align: center;">9 350</td> <td></td> </tr> <tr> <td>Wages and salaries</td> <td style="text-align: center;">16 500</td> <td></td> </tr> <tr> <td>Capital</td> <td></td> <td style="text-align: center;">35 000</td> </tr> <tr> <td><b>1 OF if matching totals</b></td> <td style="text-align: center;"><b>157 900</b></td> <td style="text-align: center;"><b>157 900</b></td> </tr> </tbody> </table>		Debit \$	Credit \$	Motor vehicle at net book value	38 000		Revenue		109 000 (1)	Purchases	80 230 (1)		Inventory	5 100 (1)		Bank overdraft		13 900 (1)	Cash in hand	1 500		Drawings	6 500 (1)		Discount allowed	720 (1)		Other operating expenses	9 350		Wages and salaries	16 500		Capital		35 000	<b>1 OF if matching totals</b>	<b>157 900</b>	<b>157 900</b>	<b>7</b>
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3(b)	A book in which transactions are recorded before being entered in the ledger. Or books used to record information from source documents	<b>1</b>																																							

Question	Answer	Marks														
3(c)	<table border="1"> <tbody> <tr> <td data-bbox="593 279 1187 343"></td> <td data-bbox="1187 279 1697 343">Book of prime (original) entry</td> </tr> <tr> <td data-bbox="593 343 1187 406">Purchases</td> <td data-bbox="1187 343 1697 406"><i>Purchases journal</i></td> </tr> <tr> <td data-bbox="593 406 1187 502">Cash and cheques received from credit customers</td> <td data-bbox="1187 406 1697 502">Cash book <b>(1)</b></td> </tr> <tr> <td data-bbox="593 502 1187 566">Bad debts written off</td> <td data-bbox="1187 502 1697 566">(General) journal <b>(1)</b></td> </tr> <tr> <td data-bbox="593 566 1187 630">Discount received from credit suppliers</td> <td data-bbox="1187 566 1697 630">Cash book <b>(1)</b></td> </tr> <tr> <td data-bbox="593 630 1187 694">Sales returns</td> <td data-bbox="1187 630 1697 694">Sales returns journal <b>(1)</b></td> </tr> <tr> <td data-bbox="593 694 1187 758">Interest charged by credit suppliers</td> <td data-bbox="1187 694 1697 758">(General) journal <b>(1)</b></td> </tr> </tbody> </table>		Book of prime (original) entry	Purchases	<i>Purchases journal</i>	Cash and cheques received from credit customers	Cash book <b>(1)</b>	Bad debts written off	(General) journal <b>(1)</b>	Discount received from credit suppliers	Cash book <b>(1)</b>	Sales returns	Sales returns journal <b>(1)</b>	Interest charged by credit suppliers	(General) journal <b>(1)</b>	<b>5</b>
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3(d)	Saul Sales ledger control account						<b>10</b>																																																																					
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3(e)	Helps to prove the arithmetical accuracy of sales ledger Helps to reduce fraud Can (assist in) locating errors, allow help, identify errors Easy access to total receivables figure Quicker production of financial statements Provides a summary of transactions relating to trade receivables <b>(1 mark per benefit, maximum 2)</b>	<b>2</b>

Question	Answer					Marks																															
4(a)	<table border="1" data-bbox="450 584 1839 1078"> <thead> <tr> <th data-bbox="450 584 1084 683"></th> <th data-bbox="1084 584 1274 683">Capital expenditure</th> <th data-bbox="1274 584 1464 683">Revenue expenditure</th> <th data-bbox="1464 584 1655 683">Capital receipt</th> <th data-bbox="1655 584 1839 683">Revenue receipt</th> </tr> </thead> <tbody> <tr> <td data-bbox="450 683 1084 751">Motor vehicle repairs</td> <td data-bbox="1084 683 1274 751"></td> <td data-bbox="1274 683 1464 751">✓</td> <td data-bbox="1464 683 1655 751"></td> <td data-bbox="1655 683 1839 751"></td> </tr> <tr> <td data-bbox="450 751 1084 820">Legal fees on purchase of office building</td> <td data-bbox="1084 751 1274 820">✓ (1)</td> <td data-bbox="1274 751 1464 820"></td> <td data-bbox="1464 751 1655 820"></td> <td data-bbox="1655 751 1839 820"></td> </tr> <tr> <td data-bbox="450 820 1084 888">Purchase of goods for resale</td> <td data-bbox="1084 820 1274 888"></td> <td data-bbox="1274 820 1464 888">✓ (1)</td> <td data-bbox="1464 820 1655 888"></td> <td data-bbox="1655 820 1839 888"></td> </tr> <tr> <td data-bbox="450 888 1084 957">Insurance of plant and equipment</td> <td data-bbox="1084 888 1274 957"></td> <td data-bbox="1274 888 1464 957">✓ (1)</td> <td data-bbox="1464 888 1655 957"></td> <td data-bbox="1655 888 1839 957"></td> </tr> <tr> <td data-bbox="450 957 1084 1026">Proceeds of sale of fixtures at net book value</td> <td data-bbox="1084 957 1274 1026"></td> <td data-bbox="1274 957 1464 1026"></td> <td data-bbox="1464 957 1655 1026">✓ (1)</td> <td data-bbox="1655 957 1839 1026"></td> </tr> <tr> <td data-bbox="450 1026 1084 1078">Discount received from supplier</td> <td data-bbox="1084 1026 1274 1078"></td> <td data-bbox="1274 1026 1464 1078"></td> <td data-bbox="1464 1026 1655 1078"></td> <td data-bbox="1655 1026 1839 1078">✓ (1)</td> </tr> </tbody> </table>		Capital expenditure	Revenue expenditure	Capital receipt	Revenue receipt	Motor vehicle repairs		✓			Legal fees on purchase of office building	✓ (1)				Purchase of goods for resale		✓ (1)			Insurance of plant and equipment		✓ (1)			Proceeds of sale of fixtures at net book value			✓ (1)		Discount received from supplier				✓ (1)	<b>5</b>
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5(f)	Prudence or Accruals (matching)	<b>1</b>
5(g)	Lower sales activity/no reference to selling price Higher levels of inventory Cost of sales is decreased Cheaper suppliers <b>(or other acceptable reason)</b> <b>1 mark per point - maximum 2</b>	<b>2</b>
5(h)	Different type of goods Food is a necessity Food sells quicker than toys Food must be sold more quickly Food might spoil <b>(or other acceptable reason)</b> <b>1 mark per point - maximum 2</b>	<b>2</b>



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