

CAMBRIDGE INTERNATIONAL EXAMINATIONS

Cambridge International General Certificate of Secondary Education

MARK SCHEME for the October/November 2015 series

0452 ACCOUNTING

0452/12

Paper 1, maximum raw mark 120

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1 (a) B

(b) A

(c) D

(d) D

(e) B

(f) A

(g) C

(h) B

(i) A

(j) C

(1) each

[10]

2 (a) The book where transactions (and other entries) are first recorded. (1) [1]

(b) Cash book/petty cash book/sales journal/sales returns journal/purchases journal/purchases returns journal/general journal/returns inwards and returns outwards journals

Any two for (1) mark each [2]

(c)

	asset	liability	expense
fixtures and fittings	✓		
insurance			✓
bank overdraft		✓	
cash	✓		
trade payable		✓	
wages			✓
accrued electricity		✓	
Increase in provision for doubtful debts			✓
Unpaid commission receivable	✓		

(1) Mark for every two correct [4]

(d) Statement of financial position (1) [1]

Income statement (1) [1]

(e)

	Debit entry			Credit entry		
		\$			\$	
1	Bank account	8 000		Capital account	8 000	
2	Bank account	2 000	(1)	Loan account	2 000	(1)
3	(Delivery) Van account/ Motor vehicles account	5 200	(1)	A1 Motors account	5 200	(1)
4	Purchases account	3 700	(1)	Bank account	3 700	(1)
5	Rent account	1 000	(1)	Bank account	1 000	(1)
6	Petty cash/Cash	100	(1)	Bank account	100	(1)

[10]

(f)

\$	\$	
8 000		
<u>2 000</u>	10 000	(1)
3 700		
1 000		
<u>100</u>	<u>(4 800)</u>	(1)
	<u>5 200</u>	(1) of

[3]

[Total: 22]

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3 (a) Raw materials (1) work in progress (1) finished goods/purchased finished goods (1) [3]

(b) Lower of cost and net realisable value (1) [1]

(c)

Account debited	Account credited
Drawings (1)	Purchases (1)

[2]

(d) Business entity (1) [1]

(e) To check for errors and omissions in his books of account

To check the errors in the bank statement

To identify stale cheques

To identify unpresented cheques

To identify amounts not credited

To calculate the correct bank balance in his cash book

To verify the balance in his cash book

To correct/amend his cash book

Any one for (1) mark [1]

(f) A copy of the customer's account as it appears in the books of the bank (1) [1]

(g) An item in the cash book not in the bank statement

Unpresented cheque/uncredited deposit/book-keeper error

Any one for (1) mark

An item in the bank statement not in the cash book.

Bank charges/bank interest/dishonoured cheque/standing order/credit transfer/direct debit/bank error/dishonoured cheque

Any one for (1) mark [2]

[Total: 11]

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- 4 (a) An estimate (1) of the amount which will be lost (1) when debts go bad (1) which reduces the value of trade receivables (1)
Max 2 [2]

(b)

Samuel
Provision for doubtful debts account

2015	\$	2014	\$
30 April	70	1 May	450
Income statement	(1of)	Balance b/d	(1)
Balance c/d	<u>380</u>		—
	<u>450</u>		<u>450</u>
		2015	
		1 May	380
		Balance b/d	(1of)

+(1) for dates

[5]

- (c) Below/after gross profit/after trading account/(on credit side) as other income.
Profit and loss section/(debit side) as an expense [1of]
- (d) Accruals/matching (1)
Prudence (1) [2]
- (e) Trade receivables (1)
Capital/profit (1) [2]

[Total: 12]

5 (a)

	\$	
Trade receivables	700	}
Trade payables	(400)	}(1)
Inventory	1 100	(1)
Equipment at cost	15 700	}
Provision for depreciation of equipment	(4 100)	}(1)
Prepaid rent	250	(1)
Bank	2 100	(1)
Capital	<u>15 350</u>	<u>(1of)</u>

[6]

(b)

Nzita							
Total trade receivables account							
2014		\$		2015	\$		
Feb 1	Balance b/d	700	(1)	Jan 31	Bank/Cash	28 900	(1)
2015					Balance c/d	900	
Jan 31	Sales	<u>29 100</u>	(1of)			<u>29 800</u>	
		<u>29 800</u>				<u>29 800</u>	
2015							
Feb 1	Balance b/d	900	(1of)				

Nzita							
Total trade payables account							
2015		\$		2014	\$		
Jan 31	Bank/Cash	12 600	(1)	Feb 1	Balance b/d	400	(1)
	Balance c/d	650		2015			
		<u>13 250</u>		Jan 31	Purchases	<u>12 850</u>	(1of)
		<u>13 250</u>				<u>13 250</u>	
				2015			
				Feb 1	Balance b/d	650	(1of)

[8]

(c)

Nzita
Income Statement for the year ended 31 January 2015

	\$	\$
Sales/Revenue		29 100 (1of)
Inventory 1 Feb 2014	1 100	
Purchases	<u>12 850</u> (1of)	
	13 950	
Inventory 31 January 2015	<u>1 400</u> (1 for both)	
Cost of sales		<u>12 550</u>
Gross profit		16 550 (1of)
Rent 3100 (1) + (250–150) (1)	3 200	
Wages	5 200	
Sundry expenses	2 650	
Depreciation of equipment	<u>1 680</u> (1)	
		<u>12 730</u>
Profit for the year + 1 for IAS terminology		<u>3 820</u> (1of)

[9]

(d)

Nzita
Statement of Financial Position (extract) at 31 January 2015

	\$	
Capital at 1 Feb 2014	15 350 (1of)	
Profit for the year	<u>3 820</u> (1of)	
	19 170	
Drawings	<u>6 600</u> (1)	
Capital at 31 January 2015	<u>12 570</u> (1of)	

[4]

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(e) $16\,550/29\,100$ (1of) $\times 100 = 56.87\%$ (1of) [2]

- (f) Lower selling prices
Introduction of trade discount
Sales promotions
Higher purchases prices not passed on to customers
Change in mix of goods sold
Higher cost of sales

Any two (1of) each [2]

[Total: 31]

- 6 (a) Capital (1)
Revenue (1)
Current (1)
Non-current (1)
Understated (1)
Overstated (1) [6]

(b)

Error 2 (1)	Error of commission (1)
Error 4 (1)	Error of principle (1)

[4]

(c)

Error		Debit \$	Credit \$
1	Discount allowed Discount received Suspense Correction of misposting of discounts (1)	30 (1) 30 (1)	60 (1)
2	Joanie Yolanda Correction of misposting of receipt of cash (1)	85 (1)	85 (1)
3	Sales returns Suspense Correction of misposting of sales returns journal total (1)	10 (1)	10 (1)
4	Stationery Office equipment Correction of revenue expenditure treated as capital expenditure (1)	150 (1)	150 (1)

[13]

(d) Leroy
Suspense account

2015		\$	2015		\$		
Sept 30	Balance b/d	70	(1of)	Sept 30	Discount allowed and received	60	(1of)
					Sales returns	10	(1of)
		<u>70</u>				<u>70</u>	

[3]

(e)

	No effect	Increase \$	Decrease \$	\$
Draft profit				5 170
Error 1			60 (2)	
Error 2	✓ (1)			
Error 3			10 (2)	
Error 4			150 (2)	
Corrected profit				4 950 (1)OF

Marks with figures: 1 for figure, 1 for direction

[8]

[Total: 34]