



Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

ACCOUNTING

0452/22

Paper 2

May/June 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.

Cambridge will not enter into discussions about these mark schemes.

Cambridge is publishing the mark schemes for the May/June 2017 series for most Cambridge IGCSE[®], Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

© IGCSE is a registered trademark.

This document consists of **12** printed pages.

| Question | Answer | | | | | | Marks |
|----------|--|--|--|--|--|--|-----------|
| 1(a) | <p style="text-align: center;">Shiromi General Ledger Rent and Account</p> <p>2017 April 4 Bank \$ 495 (1)</p> <p style="text-align: center;">Motor Vehicle Account</p> <p>2017 April 10 Bank \$ 5 500 (1)</p> <p style="text-align: center;">Sales Account</p> <p>2017 April 21 Cash \$ 600 } (1) Bank 6 000 }</p> <p style="text-align: center;">Drawings Account</p> <p>2017 April 26 Cash \$ 150 (1)</p> <p style="text-align: center;">Purchases Account</p> <p>2017 April 30 Total for Month \$ 7 460 (1)</p> <p style="text-align: center;">Purchases Returns Account</p> <p>2017 April 30 Total for month \$ 560 (1)</p> <p style="text-align: center;">Discount received Account</p> <p>2017 April 30 Total for month \$ 156 (1)</p> | | | | | | 13 |

| Question | Answer | Marks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------|--|----------|-------|------|----------|-----------|--|-------|-----|----|--|---------|---------|--|-----|-----|---------|-----------|--|-------|-----|----------|------|--|-------|------|--|--|--|--|--|--|----------|--|----|---|--|--|--|--|--|--|--|------|--|----|--|------|--|----|--|----------|------|--|-------|------|----------|-----------|--|-------|-----|--|----------|--|----|---|--|--|--|--|--|--|
| | <p style="text-align: center;">Purchases Ledger Lincy account</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></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> <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> <td style="width: 10%;"></td> </tr> <tr> <td>April 7</td> <td>Returns</td> <td></td> <td>560</td> <td>(1)</td> <td>April 5</td> <td>Purchases</td> <td></td> <td>3 860</td> <td>(1)</td> </tr> <tr> <td>April 18</td> <td>Bank</td> <td></td> <td>3 234</td> <td>}(1)</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Discount</td> <td></td> <td>66</td> <td>}</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <p style="text-align: center;">Gail Account</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></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> <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> <td style="width: 10%;"></td> </tr> <tr> <td>April 24</td> <td>Bank</td> <td></td> <td>3 510</td> <td>}(1)</td> <td>April 16</td> <td>Purchases</td> <td></td> <td>3 600</td> <td>(1)</td> </tr> <tr> <td></td> <td>Discount</td> <td></td> <td>90</td> <td>}</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <p>+ (1) dates</p> | | | 2017 | | \$ | | 2017 | | \$ | | April 7 | Returns | | 560 | (1) | April 5 | Purchases | | 3 860 | (1) | April 18 | Bank | | 3 234 | }(1) | | | | | | | Discount | | 66 | } | | | | | | | | 2017 | | \$ | | 2017 | | \$ | | April 24 | Bank | | 3 510 | }(1) | April 16 | Purchases | | 3 600 | (1) | | Discount | | 90 | } | | | | | | |
| | | 2017 | | \$ | | 2017 | | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April 7 | Returns | | 560 | (1) | April 5 | Purchases | | 3 860 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April 18 | Bank | | 3 234 | }(1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Discount | | 66 | } | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2017 | | \$ | | 2017 | | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April 24 | Bank | | 3 510 | }(1) | April 16 | Purchases | | 3 600 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Discount | | 90 | } | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1(b) | <p>Decrease in inventory Decrease in bank/cash balance or increase in overdraft Increase in trade payables Increase in short term loans Increase in other payables Decrease in other receivables Purchase of non-current assets Increase in drawings Repayment of long term liabilities</p> <p>Note: Not decrease in trade receivables as sells for cash only Any two reasons (1) each</p> | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1(c) | <p>May not be able to pay debts when they fall due May not be able to take advantage of cash discounts May not be able to take advantage of business opportunities as they arise May have difficulty in obtaining further supplies May not be able to take drawings May not have sufficient funds to pay for day to day expenses</p> <p>Any two points (1) each</p> | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question | Answer | | | | Marks | | | | | | | | | | | | | | | | | | | | |
|--|--|----------|-----------|----------|-----------|---------------------------------|--|--|------|-----------------------------|--|------|--|--|--|--|------|---------------------------------------|------|--|--|--|--|--|----------|
| 1(d) | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 12.5%;">increase</th> <th style="width: 12.5%;">decrease</th> <th style="width: 12.5%;">no effect</th> </tr> </thead> <tbody> <tr> <td>Take out a short-term bank loan</td> <td></td> <td></td> <td>✓(1)</td> </tr> <tr> <td>Repay a long-term bank loan</td> <td></td> <td>✓(1)</td> <td></td> </tr> <tr> <td>Sell goods on credit terms instead of for cash</td> <td></td> <td></td> <td>✓(1)</td> </tr> <tr> <td>Obtain a higher rate of cash discount</td> <td>✓(1)</td> <td></td> <td></td> </tr> </tbody> </table> | | increase | decrease | no effect | Take out a short-term bank loan | | | ✓(1) | Repay a long-term bank loan | | ✓(1) | | Sell goods on credit terms instead of for cash | | | ✓(1) | Obtain a higher rate of cash discount | ✓(1) | | | | | | 4 |
| | increase | decrease | no effect | | | | | | | | | | | | | | | | | | | | | | |
| Take out a short-term bank loan | | | ✓(1) | | | | | | | | | | | | | | | | | | | | | | |
| Repay a long-term bank loan | | ✓(1) | | | | | | | | | | | | | | | | | | | | | | | |
| Sell goods on credit terms instead of for cash | | | ✓(1) | | | | | | | | | | | | | | | | | | | | | | |
| Obtain a higher rate of cash discount | ✓(1) | | | | | | | | | | | | | | | | | | | | | | | | |
| 1(e) | These are goods for re-sale/These goods are purchased for re-sale not for business use/The inventory would increase/ These are short-term assets | | | | 1 | | | | | | | | | | | | | | | | | | | | |
| 1(f) | Lower profit for the year Higher capital employed/Higher owner's capital(Equity)/Higher long term loans Any 2 reasons (1) each | | | | 2 | | | | | | | | | | | | | | | | | | | | |

www.exam-mate.com

| Question | Answer | Marks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------|--|-------------|--------------------------------|------------------|----------------------|-------------|----------------------------|--------|----------------------------|---------|----------------------------------|----------|-------|--|---------|-------------|-----|----------|----------------|--|----------------|--|----------|------|------------------|--|-------|--|--------------------------|--|--|----------|---------------|--|-------------|--|----|--|--|---------|----------------|--|--|--|--|--|--|--------|----------------|--|--|--|--|--|--|-----------|---------------|--|--|--|------|--|--|-------------|------------------|--|--|--|--|--|--|--|-------|--|--|--|--|--|--|--|--|--|--|--|------|----|--|------|----|--|---------|-------------|------------------|--|---------|-------------|---------------|-----------|
| 2(a) | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: center;">Book of prime (original) entry</td> </tr> <tr> <td>Discount allowed</td> <td>Cash book (1)</td> </tr> <tr> <td>Bad debts</td> <td>General journal (1)</td> </tr> <tr> <td>Contra</td> <td>General journal (1)</td> </tr> <tr> <td>Returns</td> <td>Sales returns journal (1)</td> </tr> </table> | | Book of prime (original) entry | Discount allowed | Cash book (1) | Bad debts | General journal (1) | Contra | General journal (1) | Returns | Sales returns journal (1) | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Book of prime (original) entry | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Discount allowed | Cash book (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bad debts | General journal (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contra | General journal (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Returns | Sales returns journal (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2(b) | <p>Meaning A contra entry is one which appears on the debit side of the purchases ledger control account and the credit side of the sales ledger control account. (1)</p> <p>Reason The entry is made when a sales ledger account is set off against a purchases ledger account of the same person/business. (1)</p> | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2(c) | <p style="text-align: center;">Waheed Sales ledger control 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>March 1</td> <td>Balance b/d</td> <td></td> <td style="text-align: right;">2 346</td> <td></td> <td>March 1</td> <td>Balance b/d</td> <td style="text-align: right;">140</td> </tr> <tr> <td>March 31</td> <td>Bank (dis.chq)</td> <td></td> <td style="text-align: right;">350 (1)</td> <td></td> <td>March 31</td> <td>Bank</td> <td style="text-align: right;">2 145 (1)</td> </tr> <tr> <td></td> <td>Sales</td> <td></td> <td style="text-align: right;">2 748 (2)CF/(1)OF</td> <td></td> <td></td> <td>Discount</td> <td style="text-align: right;">55 (1)</td> </tr> <tr> <td></td> <td>Balance c/d</td> <td></td> <td style="text-align: right;">86</td> <td></td> <td></td> <td>Returns</td> <td style="text-align: right;">276 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Contra</td> <td style="text-align: right;">182 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Bad debts</td> <td style="text-align: right;">62 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">5530</td> <td></td> <td></td> <td>Balance c/d</td> <td style="text-align: right; border-top: 1px solid black;">2 670 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">5 530</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">2017</td> <td style="text-align: center;">\$</td> <td></td> <td style="text-align: center;">2017</td> <td style="text-align: center;">\$</td> </tr> <tr> <td></td> <td>April 1</td> <td>Balance b/d</td> <td style="text-align: right;">2 670 (1)</td> <td></td> <td>April 1</td> <td>Balance b/d</td> <td style="text-align: right;">86 (1)</td> </tr> </table> | | 2017 | | \$ | | 2017 | | \$ | March 1 | Balance b/d | | 2 346 | | March 1 | Balance b/d | 140 | March 31 | Bank (dis.chq) | | 350 (1) | | March 31 | Bank | 2 145 (1) | | Sales | | 2 748 (2)CF/(1)OF | | | Discount | 55 (1) | | Balance c/d | | 86 | | | Returns | 276 (1) | | | | | | | Contra | 182 (1) | | | | | | | Bad debts | 62 (1) | | | | 5530 | | | Balance c/d | 2 670 (1) | | | | | | | | 5 530 | | | | | | | | | | | | 2017 | \$ | | 2017 | \$ | | April 1 | Balance b/d | 2 670 (1) | | April 1 | Balance b/d | 86 (1) | 10 |
| | 2017 | | \$ | | 2017 | | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| March 1 | Balance b/d | | 2 346 | | March 1 | Balance b/d | 140 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| March 31 | Bank (dis.chq) | | 350 (1) | | March 31 | Bank | 2 145 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Sales | | 2 748 (2)CF/(1)OF | | | Discount | 55 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Balance c/d | | 86 | | | Returns | 276 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | Contra | 182 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | Bad debts | 62 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 5530 | | | Balance c/d | 2 670 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | 5 530 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 2017 | \$ | | 2017 | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | April 1 | Balance b/d | 2 670 (1) | | April 1 | Balance b/d | 86 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2(d) | <p>Overpayment by customer Payment made by customer without deducting cash discount Goods returned by customer after payment of balance due Payment made in advance by customer Any two points (1) each</p> | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question | Answer | Marks |
|-----------------|---|--------------|
| 2(e) | Satisfied (1) Credit customers are now paying earlier/within credit period allowed/other valid answer (1) | 2 |
| 2(f) | Do not have to allow Waheed cash discount May charge interest on overdue account | 1 |
| 2(g) | Have to wait longer for payment/Adversely affects liquidity position Increase risk of bad debt Any 1 point (1) | 1 |
| 2(h) | Waheed has the use of the funds for other purposes for 17 days Waheed does not need to use his existing liquid funds to pay suppliers Improved liquidity position Or other suitable comment Any 2 comments (1) each | 2 |

| Question | Answer | Marks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------|--|---------------|---------|---------------|------------------|---------------|-----|----|---------|------------------|---------------|-------|--------|---------|---------------|-------|--|--|-----------------------|-----|-------------------|------|-----|--|--|--|--|-------|---------|----------|----------------|-------|-----|-------|--|--|---------|--|-------------------|-----|-----|--|-------------|-------|--|-------|------------------|-----|-----|--|------------|-------|-----|-------|------------|-------|-------------|--|--|------------|--------|----------|-------------|-------|-----|--|--|--|--|--|---------------|----|-----|--|--|--|--|--|-----------|-------|-----|--|--|---------------|--|--|--|---------------|-----|--|--|--|--|---------------|-------------|------|-----|-----------|
| 3(a) | <p style="text-align: center;">A1 Sports Club Receipts and Payments Account for the year ended 30 April 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">2016</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 10%;"></td> </tr> <tr> <td style="text-align: right;">2017 April 30</td> <td style="text-align: left;">Subscriptions</td> <td style="text-align: right;">7 140</td> <td style="text-align: left;">(1)</td> <td style="text-align: right;">March 1</td> <td></td> <td style="text-align: right;">3 180</td> <td></td> </tr> <tr> <td></td> <td style="text-align: left;">Sales of equipment</td> <td style="text-align: right;">430</td> <td style="text-align: left;">(1)</td> <td style="text-align: right;">2017</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: left;">Café sales</td> <td style="text-align: right;">5 280</td> <td style="text-align: left;">} (2)CF</td> <td style="text-align: right;">April 30</td> <td style="text-align: left;">Café suppliers</td> <td style="text-align: right;">3 796</td> <td style="text-align: left;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: left;">} (1)OF</td> <td></td> <td style="text-align: left;">Rates</td> <td style="text-align: right;">960</td> <td style="text-align: left;">(1)</td> </tr> <tr> <td></td> <td style="text-align: left;">Balance c/d</td> <td style="text-align: right;">2 626</td> <td></td> <td></td> <td style="text-align: left;">General expenses</td> <td style="text-align: right;">910</td> <td style="text-align: left;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: left;">Café wages</td> <td style="text-align: right;">1 040</td> <td style="text-align: left;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: left;">Loan Repaid</td> <td style="text-align: right;">1 500</td> <td style="text-align: left;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: left;">Loan interest</td> <td style="text-align: right;">90</td> <td style="text-align: left;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: left;">Equipment</td> <td style="text-align: right;">4 000</td> <td style="text-align: left;">(1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;"><u>15 476</u></td> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;"><u>15 476</u></td> <td style="text-align: left;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">2017 May 1</td> <td style="text-align: left;">Balance b/d</td> <td style="text-align: right;">2626</td> <td style="text-align: left;">(1)</td> </tr> </table> | | | \$ | | 2016 | | \$ | | 2017 April 30 | Subscriptions | 7 140 | (1) | March 1 | | 3 180 | | | Sales of equipment | 430 | (1) | 2017 | | | | | Café sales | 5 280 | } (2)CF | April 30 | Café suppliers | 3 796 | (1) | | | | } (1)OF | | Rates | 960 | (1) | | Balance c/d | 2 626 | | | General expenses | 910 | (1) | | | | | | Café wages | 1 040 | (1) | | | | | | Loan Repaid | 1 500 | (1) | | | | | | Loan interest | 90 | (1) | | | | | | Equipment | 4 000 | (1) | | | <u>15 476</u> | | | | <u>15 476</u> | (1) | | | | | 2017 May 1 | Balance b/d | 2626 | (1) | 12 |
| | | \$ | | 2016 | | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017 April 30 | Subscriptions | 7 140 | (1) | March 1 | | 3 180 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Sales of equipment | 430 | (1) | 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Café sales | 5 280 | } (2)CF | April 30 | Café suppliers | 3 796 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | } (1)OF | | Rates | 960 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Balance c/d | 2 626 | | | General expenses | 910 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | Café wages | 1 040 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | Loan Repaid | 1 500 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | Loan interest | 90 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | Equipment | 4 000 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <u>15 476</u> | | | | <u>15 476</u> | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | 2017 May 1 | Balance b/d | 2626 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3(b) | <p style="text-align: center;">A1 Sports Club Café Income Statement for the year ended 30 April 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%;"></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: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: left;">Revenue</td> <td></td> <td></td> <td style="text-align: right;">5 280</td> <td style="text-align: left;">(1) OF</td> </tr> <tr> <td></td> <td style="text-align: left;">Cost of Sales</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: left;">Opening Inventory</td> <td style="text-align: right;">298</td> <td style="text-align: left;">(1)</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: left;">Purchases (3796 (1) – 311 (1) + 393 (1))</td> <td style="text-align: right; border-bottom: 1px solid black;">3 878</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">4 176</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: left;">Closing inventory</td> <td style="text-align: right; border-bottom: 1px solid black;">216</td> <td style="text-align: left;">(1)</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">3 960</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: left;">Café wages</td> <td style="text-align: right; border-bottom: 1px solid black;">1 040</td> <td style="text-align: left;">(1)</td> <td style="text-align: right; border-bottom: 1px solid black;">5 000</td> <td></td> </tr> <tr> <td></td> <td style="text-align: left;">Café profit</td> <td></td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;"><u>280</u></td> <td style="text-align: left;">(1) OF</td> </tr> </table> | | | \$ | | \$ | | | Revenue | | | 5 280 | (1) OF | | Cost of Sales | | | | | | Opening Inventory | 298 | (1) | | | | Purchases (3796 (1) – 311 (1) + 393 (1)) | 3 878 | | | | | | 4 176 | | | | | Closing inventory | 216 | (1) | | | | | 3 960 | | | | | Café wages | 1 040 | (1) | 5 000 | | | Café profit | | | <u>280</u> | (1) OF | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | \$ | | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Revenue | | | 5 280 | (1) OF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Cost of Sales | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Opening Inventory | 298 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Purchases (3796 (1) – 311 (1) + 393 (1)) | 3 878 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 4 176 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Closing inventory | 216 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 3 960 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Café wages | 1 040 | (1) | 5 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Café profit | | | <u>280</u> | (1) OF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3(c) | <p>\$7000 (1) This is the amount of subscriptions which relates to this financial year (1)</p> | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question | Answer | Marks |
|----------|--|----------|
| 3(d) | Opening bank balance/closing bank balance Purchase of equipment Proceeds of sale of equipment Repayment of loan Café sales Payments to café suppliers Café wages Subscriptions accrued at the start of the year Any five items (1) each | 5 |

| Question | Answer | Marks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|--|--------|------------|----|--|----------|--------|--|--|-----------------------|-------|--|--|-----------|-------|--|--|-------------------|-------|--------|--|----------------|-------|--|--|------|--------|--|--|----------------|-------|--------|--|---------|--|--------|------------|----------|
| 4(a) | <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 10%; text-align: center;">\$</th> <th style="width: 10%; text-align: center;">\$</th> <th style="width: 40%;"></th> </tr> </thead> <tbody> <tr> <td>Premises</td> <td style="text-align: right;">58 500</td> <td></td> <td></td> </tr> <tr> <td>Fixtures and fittings</td> <td style="text-align: right;">9 400</td> <td></td> <td></td> </tr> <tr> <td>Inventory</td> <td style="text-align: right;">9 700</td> <td></td> <td></td> </tr> <tr> <td>Trade receivables</td> <td style="text-align: right; border-top: 1px solid black;">8 120</td> <td style="text-align: right;">85 720</td> <td></td> </tr> <tr> <td>Trade payables</td> <td style="text-align: right;">7 100</td> <td></td> <td></td> </tr> <tr> <td>Loan</td> <td style="text-align: right;">15 000</td> <td></td> <td></td> </tr> <tr> <td>Bank overdraft</td> <td style="text-align: right; border-top: 1px solid black;">5 300</td> <td style="text-align: right; border-top: 1px solid black;">27 400</td> <td></td> </tr> <tr> <td>Capital</td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">58 320</td> <td style="text-align: right;">(1)</td> </tr> </tbody> </table> | | \$ | \$ | | Premises | 58 500 | | | Fixtures and fittings | 9 400 | | | Inventory | 9 700 | | | Trade receivables | 8 120 | 85 720 | | Trade payables | 7 100 | | | Loan | 15 000 | | | Bank overdraft | 5 300 | 27 400 | | Capital | | 58 320 | (1) | 1 |
| | \$ | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premises | 58 500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fixtures and fittings | 9 400 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Inventory | 9 700 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade receivables | 8 120 | 85 720 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade payables | 7 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loan | 15 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank overdraft | 5 300 | 27 400 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital | | 58 320 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question | Answer | | | | Marks | |
|------------------------------|---|---------------|--------------------------|---------------|-----------|----------------------|
| 4(b) | Virat - Statement of Affairs at 31 January 2017 | | | | 14 | |
| | Assets | \$ | \$ | \$ | | |
| | Non-current assets | Cost | Accumulated depreciation | Book value | | |
| | Premises | 58 500 | | 58 500 | | |
| | Fixtures and Fittings | 9 400 | 1 880 | 7 520 | | (1)OF |
| | Motor Vehicle | 15 200 | 3 800 | 11 400 | | (1)OF |
| | | <u>83 100</u> | <u>5 680</u> | <u>77 420</u> | | (1)OF |
| | Current Assets | | | 10 750 | | (1) |
| | Inventory (12 900 × 100/120) | | 11 430 | | | |
| | Trade receivables (8120 + 3310) | | 130 | | | |
| | Less Bad debts written off | | 11 300 | (1) | | |
| | Less Provision for doubtful debts | | 226 | (1) | | 11 074 (1) OF |
| | Cash | | | <u>100</u> | | (1) |
| | Total Assets | | | <u>21 924</u> | | |
| | Capital and Liabilities | | | <u>99 344</u> | | |
| | Capital | | | <u>73 418</u> | | (1)OF |
| | Balance | | | | | |
| | Non-current liabilities | | | | | |
| | Loan – A Singh (repayable 2019) | | | <u>10 000</u> | | (1) |
| | Current Liabilities | | | 7 526 | | (1) |
| Trade Payables (7100 + 6%) | | | <u>8 400</u> | (1) | | |
| Bank overdraft (5300 + 3100) | | | <u>15 926</u> | | | |
| Total Liabilities | | | <u>99 344</u> | | | |

| Question | Answer | Marks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------|---|-------------|--------|--------|--------|---------------|-------------|-------|----|--|--|--------|----------|--------|-----|-------|-------------|--------|-------|--|--|-------------|--------|--------|--------|---------------|--------|-----|--|--|--|--|--|--|--------|--------|-------|--|--|--|--------|--|--|--|--------|--|--|--|--|--|--|------|-------|-------------|--|----------|
| 4(c) | <p style="text-align: center;">Virat Capital account</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></td> <td style="width: 10%; text-align: right;">2017</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">2016</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td>Jan 31</td> <td>Drawings</td> <td style="text-align: right;">11 320</td> <td style="text-align: right;">(1)</td> <td>Feb 1</td> <td>Balance b/d</td> <td style="text-align: right;">58 320</td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td></td> <td></td> <td>Balance c/d</td> <td style="text-align: right;">73 418</td> <td style="text-align: right;">(1) OF</td> <td>Jan 31</td> <td>Motor Vehicle</td> <td style="text-align: right;">15 200</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Profit</td> <td style="text-align: right;">11 218</td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">84 738</td> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">84 738</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>2017</td> <td>Feb 1</td> <td>Balance b/d</td> <td></td> </tr> </table> | | 2017 | | \$ | | 2016 | | \$ | | | Jan 31 | Drawings | 11 320 | (1) | Feb 1 | Balance b/d | 58 320 | (1)OF | | | Balance c/d | 73 418 | (1) OF | Jan 31 | Motor Vehicle | 15 200 | (1) | | | | | | | Profit | 11 218 | (1)OF | | | | 84 738 | | | | 84 738 | | | | | | | 2017 | Feb 1 | Balance b/d | | 5 |
| | 2017 | | \$ | | 2016 | | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Jan 31 | Drawings | 11 320 | (1) | Feb 1 | Balance b/d | 58 320 | (1)OF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Balance c/d | 73 418 | (1) OF | Jan 31 | Motor Vehicle | 15 200 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | Profit | 11 218 | (1)OF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 84 738 | | | | 84 738 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | 2017 | Feb 1 | Balance b/d | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 operate 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 Or other suitable points Any 2 points (1) for basic statement and (1) for development</p> | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question | Answer | Marks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------|--|-------|-------|--------|---------------|-------|-----|--|--|------------------|--|--|--|--|--|--|--|------|--|----|--|------|--|----|--|--------|---------|-----|-----|--------|------------|-----|-----|--|-------------|----|-----|--|---------------|-------|-----|--|-------------------|-----|-----|--|--|--|--|--|-------------|-----|-------|--|--|--|--|--|--|-------|--|--|--|-------|--|--|--|--|--|------|--|--|--|--|--|--|--|-------|-------------|-----|--|---|
| 5(a) | Duality (1) | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5(b) | To ensure that the totals of the trial balance agree To allow draft financial statements to be prepared To facilitate the correction of errors To make sure that all the errors are discovered Any 2 reasons (1) each | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5(c) | <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="4" style="text-align: center;">Heng</td> <td colspan="4"></td> </tr> <tr> <td colspan="4" style="text-align: center;">Suspense account</td> <td colspan="4"></td> </tr> <tr> <td style="text-align: right;">2016</td> <td></td> <td style="text-align: right;">\$</td> <td></td> <td style="text-align: right;">2016</td> <td></td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td style="text-align: right;">Dec 31</td> <td>Balance</td> <td style="text-align: right;">430</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">Dec 31</td> <td>Petty Cash</td> <td style="text-align: right;">150</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td>General exp</td> <td style="text-align: right;">90</td> <td style="text-align: right;">(1)</td> <td></td> <td>Discount alld</td> <td style="text-align: right;">1 024</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td>Purchases Returns</td> <td style="text-align: right;">454</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Balance c/d</td> <td style="text-align: right;">200</td> <td style="text-align: right;">(1)OF</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">1 174</td> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">1 174</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">2017</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">Jan 1</td> <td>Balance b/d</td> <td style="text-align: right;">200</td> <td></td> </tr> </table> | Heng | | | | | | | | Suspense account | | | | | | | | 2016 | | \$ | | 2016 | | \$ | | Dec 31 | Balance | 430 | (1) | Dec 31 | Petty Cash | 150 | (1) | | General exp | 90 | (1) | | Discount alld | 1 024 | (1) | | Purchases Returns | 454 | (1) | | | | | | Balance c/d | 200 | (1)OF | | | | | | | 1 174 | | | | 1 174 | | | | | | 2017 | | | | | | | | Jan 1 | Balance b/d | 200 | | 6 |
| Heng | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Suspense account | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2016 | | \$ | | 2016 | | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec 31 | Balance | 430 | (1) | Dec 31 | Petty Cash | 150 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | General exp | 90 | (1) | | Discount alld | 1 024 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Purchases Returns | 454 | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Balance c/d | 200 | (1)OF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 1 174 | | | | 1 174 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Jan 1 | Balance b/d | 200 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5(d) | Either All the errors have not been found (1) There is still a balance on the suspense account (1) Or – if the suspense account in (c) is closed – All the errors have been discovered (1) There is no balance remaining on the suspense account (1) | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question | Answer | | | | | Marks |
|----------|--------|---------------------------|--------------------------|--|--|-----------|
| 5(e) | Error | Profit for the year \$ | Non-current assets \$ | Current assets \$ | Current liabilities \$ | 10 |
| | 1 | 281 overstated | 281 overstated | No effect | No effect | |
| | 2 | 100 overstated (1) | No effect | 100 overstated (1) | No effect | |
| | 3 | No effect | No effect | 150 understated (1) | No effect | |
| | 4 | 90 understated (1) | No effect | No effect | No effect | |
| | 5 | 1024 overstated (1) | No effect | No effect | No effect | |
| | 6 | No effect | No effect | 4 120 overstated (2) Or 2 060 overstated (1) | 4 120 overstated (2) Or 2 060 overstated (1) | |
| | 7 | 454 understated (1) | No effect | No effect | No effect | |