CAMBRIDGE INTERNATIONAL EXAMINATIONS

Cambridge International General Certificate of Secondary Education

MARK SCHEME for the March 2015 series

0452 ACCOUNTING

0452/12 Paper 12, maximum raw mark 120

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Glossary for Q1

(a) A 29 500 – 18 100 + 11 300 – 15 000 = 7700
B 29 500 + 18 100 – 11 300 – 15 000 = 21 300
C 29 500 – 18 100 + 11 300 + 15 000 = 37 700
D 29 500 + 18 100 – 11 300 + 15 000 = 51 300

(d) A (750/15) × 4 months
B (750/12) × 4 months
C (750/12) × 8 months
D (750/15) × 11 months

(e) A 78 – 22 – 6
B 78 – 22
C from question
D from question

Mark scheme

1 **(a)** B

(b) C

(c) D

(d) D

(e) A

(f) B

(g) A

(h) C

(i) C

(j) A

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2 (a) An item which an organisation owns/which is owed to the organisation **(1)** [1]

(b) A statement of financial position is a statement of all the assets and liabilities of an organisation **(1)** at a specific date **(1)**. An income statement is a statement of all the revenues and costs of an organisation **(1)** for a specific period **(1)**. [4]

(c)

	Debit	Credit
Cash	✓	
Capital		✓ **(1)**
Bonnie – a credit customer	✓ **(1)**	
Loan from the bank		✓ **(1)**
Other operating expenses	✓ **(1)**	
Purchases returns		✓ **(1)**

[5]

(d)

Feb	Account to be debited	$	Account to be credited	$
1	Purchases	600	Abdul	600
2	Cash	150 **(1)**	Sales	150 **(1)**
3	Bank	100 **(1)**	Cash	100 **(1)**
4	Drawings	50 **(1)**	Cash	50 **(1)**
5	Sara	510 **(1)**	Sales	510 **(1)**
6	Abdul	600 **(1)**	Bank	600 **(1)**

[10]

(e)

John
Cash book (bank columns)

Date	Details	$	Date	Details	$
Feb 1	Balance b/d	450 **(1)**	Feb 6	Abdul	600 **(1)**
3	Cash	100 **(1)**			
7	Balance c/d	50			
		600			600
			Feb 8	Balance b/d	50 **(1of)**

+1 for dates

[5]

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(f) Drawings **(1)** [1]

[Total: 26]

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3 (a) (i)

Alex
Provision for depreciation account

Date	Details	$	Date	Details	$
2014			2014		
Apr 1	Disposal account	6 800 **(1)**	Jan 1	Balance b/d	6 800 **(1)**
Dec 31	Balance c/d	9 600	Dec 31	Income statement	9 600 **(1)**
		16 400			16 400
			2015		
			Jan 1	Balance b/d	9 600 **(1of)**

+1 for dates

[5]

(ii)

Alex
Disposal account

Date	Details	$	Date	Details	$
2014			2014		
Apr 1	Motor vehicle	17 000 **(1)**	Apr 1	Prov depreciation	6 800 **(1OF)**
				Bank	9 400 **(1)**
				Income statement	800 **(1of)**
		17 000			17 000

[4]

(b)

Alex
Statement of Financial Position (extract) at 31 December 2014

Non-current assets **(1)**

	Cost	Accumulated depreciation	Net book value
	$	$	$
Motor vehicles	24 000 **(1)**	9 600 **(1of)**	14 400 **(1of)**

[4]

(c) 14 400 **(1of)** × 40% = 5 760 **(1of)** [2]

(d) general journal **(1)** cash book **(1)** [2]

(e) Money spent on day to day running expenses **(1)**
Suitable example **(1)** [2]

[Total: 19]

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4 (a) Total sales = 165 600 + 44 400 = 210 000 **(1)**
Cost of sales = 210 000 × 2/3 **(1)** = 140 000 **(1of)**
Purchases = 140 000 – 21 600 **(1)** + 28 800 **(1)** = 147 200 **(1of)** [6]

(b)

Kriti
Sales ledger control account

2014		$		2014		$	
Jan 1	Balance b/d	13 400 (**1 for both**)		Jan 1	Balance b/d	120	
Dec 31	Credit sales	165 600	**(1)**	Dec 31	Bad debts	2 800	**(1)**
	Bank	90	**(1)**		Bank	155 010	**(1)**
	Balance c/d	200			Discount allowed	4 560	**(1)**
					PLCA	1 300	**(1)**
					Balance c/d	15 500	
2015		179 290		2015		179 290	
Jan 1	Balance b/d	15 500	**(1of)**	Jan 1	Balance b/d	200	**(1)**

+1 for dates

[10]

(c) Check for errors in sales ledger
May reduce fraud
Provides quick total of trade receivables
Provides summary of trade receivables transactions
Any two reasons **(1)** each [2]

(d) Customer overpays
Customer returns goods after payment
Customer did not deduct discount before payment
Any one reason **(1)** [1]

(e) A provision for doubtful debts does not affect an individual debtor's account **(1)** [1]

[Total: 20]

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5 (a)

Cost	Overhead section of the manufacturing account	Income statement
Office rent		✓
Factory rent	✓ **(1)**	
Carriage outwards		✓ **(1)**
Depreciation of machinery	✓ **(1)**	
Depreciation of office equipment		✓ **(1)**
Discount allowed		✓ **(1)**
Salesman's salary		✓ **(1)**
Administration costs		✓ **(1)**

[7]

(b)

Harrington
Manufacturing Account (extract) for the year ended 31 December 2014

	$	$	
Inventory of raw materials at 1 January 2014		5 600	
Purchases of raw materials	71 100		
Less purchases returns	1 000 **(1)**		
	70 100		
Less drawings	2 000 **(1)**		
	68 100		
Carriage inwards	2 100 **(1)**		
		70 200	
		75 800	
Inventory of raw materials at 31 December 2014		4 200	**(1) for both**
Cost of raw materials consumed **(1)**		71 600	**(1OF)**
Direct labour		52 550	**(1)**
Prime cost **(1)**		124 150	**(1of)**

[9]

(c) To set prices OR to compare the cost of manufacturing with the cost of buying the goods in. **(1)** [1]

(d) 4200 **(1)** + 1800 **(1)** + 5500 **(1)** = 11 500 [3]

[Total: 20]

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6 (a)

	Increase $	Decrease $	$
Draft profit			26 200
Error 1	400 **(1)**		
Error 2		600 **(1)**	
Error 3	2 000 **(1)**		
Error 4	50 **(1)**		
	2 450	600	1 850
Corrected profit			28 050 **(1of)**

[5]

(b)

Arun
Statement of Financial Position at 31 January 2015

	$	
Non-current assets		
Fixtures and fittings	20 800	
Motor vehicles	12 100	
	32 900	**(1)**
Current assets		
Inventory	15 900	**(1)**
Trade receivables (8700 – 600)	8 100	**(1)**
Other receivables	400	**(1)**
Cash and cash equivalents (1100 + 50)	1 150	**(1)**
	25 550	
Total assets	58 450	
Capital at 1 February 2014	28 400	**(1)**
Profit for the year	28 050	**(1of)**
	56 450	
Drawings 10 000 **(1)** + 2000 **(1)**	12 000	
Capital at 31 January 2015	44 450	
Current liabilities		
Trade payables	14 000	**(1)**
Total liabilities	58 450	

[10]

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(c) Accruals (matching)
Costs and revenues should be matched **(1)** within an accounting period **(1)**
Any suitable example **(1)**

Business entity
The business is treated as being separate from the owner **(1)**. The business records are from the viewpoint of the business **(1).**
Any suitable example **(1)** [6]

(d)

	Increase	Decrease
Gross profit margin	✓ **(1)**	
Rate of inventory turnover (in days)	✓ **(1)**	
Net profit margin	✓ **(1)**	
Return on capital employed	✓ **(1)**	

[4]

[Total: 25]

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