Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

ACCOUNTING **0452/12**

Paper 12 **March 2018**

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.

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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.

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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.

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Question	Answer	Marks
1(a)	B	**1**
1(b)	A	**1**
1(c)	D	**1**
1(d)	A	**1**
1(e)	C	**1**
1(f)	C	**1**
1(g)	A	**1**
1(h)	D	**1**
1(i)	B	**1**
1(j)	D	**1**

Question	Answer	Marks
2(a)	<table><tr><th>document</th><th>name of person issuing document</th></tr><tr><td>invoice</td><td>*Kumar*</td></tr><tr><td>debit note</td><td>Simran **(1)**</td></tr><tr><td>credit note</td><td>Kumar **(1)**</td></tr><tr><td>Statement of account</td><td>Kumar **(1)**</td></tr><tr><td>cheque</td><td>Simran **(1)**</td></tr></table>	**4**
2(b)	Issued by the customer to request a reduction in an invoice.	**1**
2(c)	Sales returns journal	**1**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(d)</td><td>Sales ledger</td><td>1</td></tr>
<tr><td>2(e)</td><td>Trade discount</td><td>1</td></tr>
<tr><td>2(f)</td><td>Recorded on the invoice to the customer or in sales journal
No entry made in ledger</td><td>1</td></tr>
<tr><td>2(g)(i)</td><td>Sales returns account</td><td>1</td></tr>
<tr><td>2(g)(ii)</td><td>Individual debtor accounts</td><td>1</td></tr>
<tr><td rowspan="2">2(h)</td><td>Money measurement (1)</td><td>1</td></tr>
<tr><td>An accounting transaction should only be recorded if it can be expressed in terms of money (1)</td><td>1</td></tr>
<tr><td>2(i)</td><td>Capital (1) equals assets minus liabilities (1)</td><td>2</td></tr>
<tr><td>2(j)</td><td><table>
<tr><td>item</td><td>increase</td><td>decrease</td></tr>
<tr><td>capital introduced</td><td>✓</td><td></td></tr>
<tr><td>drawings</td><td></td><td>✓ (1)</td></tr>
<tr><td>profit for the year</td><td>✓ (1)</td><td></td></tr>
</table></td><td>2</td></tr>
</table>

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Question	Answer	Marks
3(a)	Nikita Electricity expense account **(+1 dates)**	**6**
3(b)	The amount owed/not yet paid for electricity used in the financial year ended 31 January 2018 **(1) OF**	**1**
3(c)	Current liabilities **(1) OF**	**1**
3(d)	Nikita Rent receivable account **(+1 dates)**	**6**
3(e)	Current assets	**1**

Date	Details		$	Date	Details		$
2017				2017			
Mar 10	Bank }	**(1)**	210	Feb 1	Balance b/d		140
Jun 7	Bank }		130	2018			
Sep 5	Bank }	**(1)**	185	Jan 31	Income		
Dec 6	Bank }		205		Statement **(1) OF**		810
2018							
Jan 31	Balance c/d	**(1)**	220				
			950				950
				Feb 1	Balance b/d **(1) OF**		220

Date	Details		$	Date	Details		$
2017				2017			
Feb 1	Balance b/d **(1)**		1250	May 10	Cash	**(1)**	2700
2018				Oct 14	Bank	**(1)**	2800
Jan 31	Income			2018			
	Statement **(1) OF**		5950	Jan 31	Balance c/d		1700
			7200				7200
Feb 1	Balance b/d **(1)**		1700				

Question	Answer	Marks
3(f)	Nikita Income Statement for the year ended 31 January 2018 * **both (1)**	**8**
3(g)	It measures the excess of current assets over current liabilities /measures liquidity. It measures the margin of safety between current assets and current liabilities.	**1**
3(h)	(6800 + 12 500 +1010) **(1)**/15 200 = 1.34:1 **(1)**	**2**

		$	$	$	
Revenue				127 000	**(1)**
Less: returns				4 000	
				123 000	
Cost of sales					
Inventory at	1 February 2017 *		8 000		
Purchases		76 000			
Goods for own use		2 000	74 000	**(1)**	
Carriage inwards			1 200		
			83 200	**(1)**	
Less: Inventory at	31 January 2018*		11 000	72 200	**(1)**
Gross profit **(1)**				50 800	**(2) CF, (1) OF**

Question	Answer	Marks
3(i)	different accounting policies different size of business different type of business different locations different capital structures different type of goods sold non-monetary items **other reasonable answer** **Any two for (1) mark each**	**Max 2**
3(j)	Introduce additional capital Sell surplus non-current assets Reduce cash drawings Obtain long-term loan **1 mark per suggestion, maximum 2**	**Max 2**

Question	Answer	Marks
4(a)	Meena Cash book (bank columns)	**5**

Date	Details	$	Date	Details		$
2017			2017			
Dec 31	Rohan **(1)**	140	Dec 31	Balance b/d	**(1)**	2450
	Balance c/d	2424		Bank interest	**(1)**	20
				Anjana (dishonoured cheque)	**(1)**	94
		2564	2018			2564
			Jan 1	Balance b/d	**(1) OF**	2424

Question	Answer	Marks
4(b)	Meena Bank Reconciliation Statement at 31 December 2017 $ $ Debit balance on bank statement * (2623) **(1)** Add: amounts not yet credited: Cash sales 362 **(1)** Bank error 35 **(1)** 397 Less: cheques not yet presented (198) **(1)** Adjusted cash book balance *** (1) both labels** (2424) **(1) OF**	**6**
	Alternative presentation $ $ Adjusted cash book balance * (2424) **(1) OF** Add: amounts not yet credited: Cash sales 362 **(1)** Bank error 35 **(1)** 397 Less: cheques not yet presented (198) **(1)** Debit balance on bank statement ***** (2623) **(1)** **(* 1 mark both labels)**	
4(c)	$2424 **(1) OF** Current liabilities **(1) OF**	**2**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td rowspan="2">4(d)</td><td>A cheque which has been returned unpaid by the bank</td><td>1</td></tr>
<tr><td>Reason
Drawer has insufficient funds in the account
Incomplete details on the cheque (e.g. missing date, signature)
Cheque is out of date/stale
Cheque may be post-dated
Inconsistent details on the cheque (e.g. signature does not match that on file, amount in figures does not agree with amount in words)
(1 mark for meaning, 1 mark for any valid reason up to 2 max)</td><td>2</td></tr>
<tr><td>4(e)</td><td>At any time the amount paid out from the float (represented by vouchers/receipts) plus remaining cash (1) must equal the fixed amount of the float (1)</td><td>2</td></tr>
<tr><td>4(f)</td><td><table><tr><td>debit entry</td><td>$</td><td>credit entry</td><td>$</td></tr><tr><td>petty cash (1)</td><td>27</td><td>bank/cash (1)</td><td>27</td></tr></table>+ 1 for amount</td><td>3</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td rowspan="2">5(a)</td><td>To keep a separate record of capital introduced/be able to calculate interest on capital</td><td>1</td></tr>
<tr><td>To allow easy comparison of drawings and total profit share/see if partner has overdrawn on profit allocation.</td><td>1</td></tr>
<tr><td>5(b)</td><td>The amount that Sumit owes the partnership.</td><td>1</td></tr>
<tr><td>5(c)</td><td>To discourage partners from taking drawings/to reduce the level of drawings</td><td>1</td></tr>
</table>

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Question	Answer	Marks
5(d)	Eli and Sumit Appropriation Account for the year ended 31 October 2017 $ $ Profit for the year 12500 Add: interest on drawings Eli 200 **(1)** Sumit 260 **(1)** 460 12960 Less: interest on capital Eli 4000 **(1)** Sumit 3400 **(1)** 7400 Less: salary Eli 7500 **(1)** (14900) (1940) Share of residual loss Eli 1164 **(1) OF** Sumit 776 **(1) OF** (1940)	**7**
5(e)	Eli and Sumit Extract from Statement of Financial Position at 31 October 2017 $ $ $ Eli Sumit Total Capital accounts 50000 45000 **(1)** 95000 **(1) OF** Current accounts Opening balance 4500 (1800) **(1)** Interest on capital 4000 3400 **(1) OF** Salary 7500 – **(1)** 16000 1600 Drawings (5000) (6500) **(1)** Interest on drawings (200) (260) **(1) OF** Share of residual loss (1164) (776) **(1) OF** (6364) (7536) 9636 (5936) 3700 **(1) OF** 98700 **(1) OF**	**10**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(a)</td><td>Useful as a basis for preparing financial statements</td><td>1</td></tr>
<tr><td></td><td>Check arithmetical accuracy of the double entry</td><td>1</td></tr>
<tr><td>6(b)</td><td>Error 3 commission</td><td>1</td></tr>
<tr><td></td><td>Error 4 omission</td><td>1</td></tr>
<tr><td></td><td>Error 5 principle</td><td>1</td></tr>
<tr><td>6(c)</td><td>Sanjay
Suspense account
<table>
<tr><th>Date
2018</th><th>Details</th><th>$</th><th>Date
2018</th><th>Details</th><th>$</th></tr>
<tr><td>Jan 31</td><td>Rent receivable (1)
Purchases returns (1)
Sales returns (1)</td><td>1000
190
190</td><td>Jan 31</td><td>Difference in trial balance (1)
Wages (1)</td><td>1110
270</td></tr>
<tr><td></td><td></td><td>1380</td><td></td><td></td><td>1380</td></tr>
</table>
+1 if no extraneous items</td><td>6</td></tr>
<tr><td>6(d)</td><td>Yes/no (1) OF
Errors affecting the trial balance have all been discovered as the suspense account has been cleared (1) OF</td><td>2</td></tr>
</table>

Question	Answer	Marks
6(e)	Statement of corrected profit for the year ended 31 January 2018	**8**

	No Effect	Increase $	Decrease $	$
Draft profit				24250
Error 1			270 **(1)**	
Error 2		1000 **(1)**		
Error 3	✓ **(1)**			
Error 4			35 **(1)**	
Error 5			700 **(1)**	
Error 6		*380 **(2)**		
		1380	1005	375
Corrected profit				24625
***(1)correct position (1) correct figure**				**(1) OF**