CAMBRIDGE
International Education

Cambridge IGCSE™

ACCOUNTING **0452/22**

Paper 2 Structured Written Paper **February/March 2025**

MARK SCHEME

Maximum Mark: 100

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 February/March 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

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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 descriptions 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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Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standard isation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning	Use
	Tick	Indicates a point which is relevant and rewardable.
	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
	An extraneous figure or item in the statement	
	OF	Own figure
	Noted but no credit given	Indicates that content has been recognised but not rewarded.
	Repetition	Indicates where content has been repeated.

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(a)</td><td>Ria
Purchases journal
<table>
<tr><th>Date</th><th>Details</th><th>$</th></tr>
<tr><td>2025
Jan 13
18
23
31</td><td>
Ottie (180 – 9)
Nakir
Darena
Transfer to purchases account</td><td>
171 (1)
528}
<u>310</u>} (1)
<u>1 009</u> (1)OF</td></tr>
</table></td><td>3</td></tr>
<tr><td>1(b)</td><td>Ria
Purchases returns journal
<table>
<tr><th>Date</th><th>Details</th><th>$</th></tr>
<tr><td>2025
Jan 30
31</td><td>
Darena
Transfer to purchases returns account</td><td>
<u>24</u> (1)
<u>24</u> (1)</td></tr>
</table></td><td>2</td></tr>
</table>

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Question	Answer	Marks
1(c)	Ria Purchases account	**4**

Date 2025	Details		$	Date 2025	Details	$
Jan 1	Balance	**(1)**	6 327	Jan 31	Balance c/d	7 409
20	Bank	**(1)**	73			
31	Credit purchases for Month	**(1) OF**	1 009			
			7 409			7 409
Feb 1	Balance b/d	**(1)OF**	7 409			

1(d)	Ria Purchases ledger control account					**6**

Date 2025	Details		$	Date 2025	Details		$
Jan 31	Purchases returns	**(1)OF**	24	Jan 1	Balance b/d	**(1)**	1510
	Bank (300 + 600 – 18)	**(1)**	882	31	Purchases	**(1)OF**	1009
	Discount received	**(1)**	18				
	Balance c/d		1 595				
			2 519				2 519
				Feb 1	Balance b/d	**(1)OF**	1 595

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Question	Answer	Marks
1(e)	**Advantages** Advertising may attract new customers/increase sales/may increase profits (1) Will not need to use existing cash/bank balance or invest more capital(1) Would not need to obtain a loan/overdraft or pay loan/overdraft interest(1) Advertising may be recommended for a new business (1) **Accept other valid points** **Max (2)** **Disadvantages** Advertising will not necessarily increase sales (1) May not be able to take advantage of cash discount (1) Suppliers may charge interest on overdue accounts (1) Will damage relationship with suppliers (1) Suppliers may not provide further goods until outstanding balance is paid (1) **Accept other valid points** **Max (2)** **Recommendation (1)**	**5**

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Question	Answer	Marks
2(a)	Viraj Income Statement for the year ended 31 January 2025 $ $ Revenue 89 600 Less sales returns 2 195 87 405 **(1)** Less Cost of goods sold Opening inventory 4 500 Purchases 53 700 58 200 Less Closing inventory 5 900 52 300 **(1)** Gross profit 35 105 **(1)OF** Other income Rental income (2580 – 516) 2 064 **(1)** 37 169 Less Expenses Rent and insurance 8 760 General expenses 2 945 Wages (7350 + 282) 7 632 **(1)** Stationery and advertising (710 + 55) 765 **(1)** Bank charges (143 + 13) 156 **(1)** Depreciation of fixtures and fittings (15% × 12 500) 1 875 **(1)** 22 133 Profit for the year 15 036 **(1)OF**	**9**
2(b)	Viraj Statement of Financial Position at 31 January 2025 $ Current Liabilities Trade payables 3 125 Other payables (282 + 55) 337 **(1)** Income prepaid (172 × 3) 516 **(1)** Bank overdraft (1 260 + 13) 1 273 **(1)** 5 251 **(1)OF**	**4**
2(c)(i)	Materiality **(1) OR** Prudence **(1)**	**1**

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Question	Answer	Marks
2(c)(ii)	Money measurement **(1)**	**1**
2(d)	**Advantages** May attract new customers/may increase sales/may increase profit **(1)** Will help to keep up with the competition/diversify products offered **(1)** May be more efficient (e.g. energy consumption or layout) **(1)** May be better working conditions **(1)** May be able to put his prices up **(1)** May be able to increase rent charge to the other business **(1)** **Accept other valid points** **Max (2)** **Disadvantages** Will require extra capital/loan/increase in overdraft **(1)** May need to put prices up to cover cost of refurbishment **(1)** May be increased expenses/reduced profit (e.g. interest and depreciation) **(1)** Not wise to spend a lot on property which is rented **(1)** The existing fixtures and fittings are only two years old **(1)** May not actually result in more sales/more customers/more profit **(1)** **Accept other valid points** **Max (2)** **Recommendation (1)**	**5**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(a)</td><td>
Samira
Journal
<table>
<tr><th>Error number</th><th>Details</th><th>Debit $</th><th>Credit $</th></tr>
<tr><td>1</td><td>Equipment repairs
Equipment</td><td>175 (1)</td><td>
175 (1)</td></tr>
<tr><td>2</td><td>Bank
David</td><td>264 (1)</td><td>
264 (1)</td></tr>
<tr><td>3</td><td>Bank loan
Bank charges</td><td>2 500 (1)</td><td>
2500 (1)</td></tr>
<tr><td>4</td><td>Stationery
Bank</td><td>9 (1)</td><td>
9 (1)</td></tr>
<tr><td>5</td><td>Sales returns
Purchases returns
Suspense</td><td>40 (1)
40 (1)</td><td>

80 (1)</td></tr>
</table>
</td><td>11</td></tr>
<tr><td>3(b)</td><td>
<table>
<tr><th>Error number</th><th>Effect on profit for the year</th><th>Effect on bank balance</th><th></th></tr>
<tr><td>1</td><td>Overstated by $175</td><td>No effect</td><td></td></tr>
<tr><td>2</td><td>No effect</td><td>Understated by $264</td><td>(1)</td></tr>
<tr><td>3</td><td>Understated by $2500</td><td>No effect</td><td>(1)</td></tr>
<tr><td>4</td><td>Overstated by $9</td><td>Overstated by $9</td><td>(1)</td></tr>
<tr><td>5</td><td>Overstated by $80</td><td>No effect</td><td>(1)</td></tr>
</table>
</td><td>4</td></tr>
</table>

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Question	Answer	Marks
3(c)	\$ Original total of debit side of trial balance 97 400 Add Error 5 40 **(1)** 97 440 Less Error 3 2 500 **(1)** Corrected trial balance total of trial balance 94 940 **(1)OF**	**3**
3(d)(i)	Error 1 **(1) OR** Error 3 **(1)**	**1**
3(d)(ii)	Error 4 **(1)**	**1**

Question	Answer	Marks
4(a)		**11**

Gross margin	$\frac{112000-(5500+68200-5700)}{112000}=\frac{44000}{112000}$ **(1)** $\times\frac{100}{1}$	39.29% **(1)OF**
Profit margin	$\frac{(44000\ \textbf{OF}-21500)}{112000}=\frac{22500}{112000}$ **(1)OF** $\times\frac{100}{1}$	20.09% **(1)OF**
Return on capital employed	$\frac{22500}{285000}$ **OF** $\times\frac{100}{1}$	7.89% **(1)OF**
Rate of inventory turnover (times)	$\frac{(5500+68200-5700)}{(5500+5700)/2}=\frac{68000}{5600}$ **(1)** **(1)**	12.14 times **(1)OF**
Trade receivables turnover (days)	$\frac{16000}{112000}\times\frac{365}{1}$	52.14 days **(1)** **OR** 53 days
Liquid (acid test) ratio	$\frac{16000}{(5100+6890)}=\frac{16000}{11990}\}$ **(1) whole formula**	1.33 : 1 **(1)OF**

Question	Answer	Marks
4(b)	May be an increase in irrecoverable debts/decrease in profit because of an increase in irrecoverable debts **(1)** May have to increase provision for irrecoverable debts **(1)** May delay paying trade payables and so not earn cash discount **(1)** May incur additional interest charges if bank overdraft increases **(1)** Trade payables may charge interest if accounts not paid on time **(1)** **Max (4)**	**4**
4(c)	**Advantages of investing more capital** Would avoid paying overdraft interest **(1)** May improve the relationship with the bank if he pays off his overdraft **(1)** May be more incentive to improve future profit as more personal funds invested **(1)** Provides funding until his trade receivables turnover can be improved **(1)** **Accept other valid points** **Max (3)** **Disadvantages of investing more capital** More capital is at risk **(1)** Return on capital would be reduced **(1)** May adversely affect personal financial position **(1)** Extra capital is not normally used for short-term finance **(1)** **Accept other valid points** **Max (3)** **Max (4)** **Recommendation (1)**	**5**

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Question	Answer	Marks
5(a)		**4**

	$		$	
Assets				
Pianos at book value	7 200	**(1)**		
Subscriptions in arrears	390	**}**		
Insurance prepaid	140	**} (1)**		
Coffee shop inventory	320	**}**		
Cash at bank	2 045	**}**	10 095	
Liabilities				
Subscriptions in advance	650	**}**		
Rent accrued	435	**}(1)**		
Coffee shop trade payables	200	**}**	1 285	
Accumulated fund			8 810	**(1) OF**

Alternative presentation

(12 000 – 4800) **(1)** + (390 + 140 + 320+ 2045) **(1) –** (650 + 435 + 200) **(1)** = 8810 **(1)OF**

5(b) **6**

ABC Piano Club
Subscriptions account

Date	Details		$	Date	Details		$
2024				2024			
Jan 1	Balance b/d	*	390	Jan 1	Balance b/d	*(1)	650
Dec 31	Income and expenditure	(1)OF	7670	Dec 31	Bank/Cash	(1)	7 800
	Balance c/d		715		Balance c/d		325
			8 775				8 775
2025				2025			
Jan 1	Balance b/d	(1)	325	Jan 1	Balance b/d	(1)	715

***(1) for both opening balances**
(1) for dates

Question	Answer	Marks
5(c)	ABC Piano Club Rent and insurance account ***(1) for both opening balances** **(1) for dates**	**5**
5(d)	ABC Piano Club Coffee shop income statement for the year ended 31 December 2024	**5**

Date	Details		$	Date	Details		$
2024				2024			
Jan 1	Balance b/d	*	140	Jan 1	Balance b/d	*(1)	435
Dec 31	Bank/Cash	(1)	6 700	Dec 31	Income and expenditure	(1)OF	6 250
					Balance c/d		155
			6 840				6 840
2025							
Jan 1	Balance b/d	(1)	155				

	$		$	
Revenue			8 320	
Cost of sales				
Opening inventory	320	*		
Purchases (3 815 – 200 + 186)	3 801	(1)		
	4 121			
Less Closing inventory	382	* (1)both	3 739	(1)OF
			4 581	
Shop wages			2 600	(1)
Profit for the year on shop			1 981	(1) OF

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