UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

International General Certificate of Secondary Education

MARK SCHEME for the May/June 2011 question paper

for the guidance of teachers

0452 ACCOUNTING

0452/12 Paper 1, maximum raw mark 120

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1 Key

(a) A [1]

(b) B [1]

(c) D [1]

(d) B [1]

(e) C [1]

(f) A [1]

(g) B [1]

(h) C [1]

(i) D [1]

(j) B [1]

[Total: 10]

2 (a) Cash book, petty cash book, sales day book (journal), sales returns day book (journal), purchases day book (journal), purchases returns day book (journal), journal.
(Any two, 1 mark each). [2]

(b) To calculate the [net] profit [or loss] [for the year] – *not gross profit.* [1]

(c)

	Income	Expense
Carriage outwards		✓(1)
Bad debt recovered	✓(1)	
Discount received	✓(1)	

[3]

(d) The petty cashier has a fixed amount of money (the imprest) (1) and is reimbursed the amount of the actual expenses each period (1) to maintain this amount. [2]

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(e) **(i)** Consistency [1]

(ii) Reliability [1]

(f) Current assets (1) *less* Current liabilities (1) [2]

(g) **(i)** Working capital = Trade receivables + bank + inventory – trade payables
= (1300 + 3500 + 2900) *(7700)* (1) – 1800 (1)
= 5900 (1)OF [3]

(ii) Quick ratio = current assets less inventory / current liabilities
= (7700 – 2900) *(4800)* (1) / 1800 (1)
= 2.67 : 1 (1)OF *(accept 2.66 : 1)* [3]

(h) Ordinary shares (equity shares), preference shares. [2]

[Total: 20]

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3 (a) Alcazar – credit sales

		$	
Bank deposits		15 270	(1)
Less cash sales		2 680	(1)
		12 590	
Add trade receivables at 31 March 2011	4 080		
Less trade receivables at 1 April 2010	3 140		
		940	(1)
		13 530	(1)OF

[4]

(b)

Alcazar
Income Statement for the year ended 31 March 2011

		$		$	
Revenue	– credit sales			13 530	(1)OF
	– cash sales			2 680	(1)
				16 210	
Less	Cost of sales				
	Inventory at 1 April 2010	1 780	(1)		
	Purchases	9 560	(1)		
	Carriage inwards	280	(1)		
		11 620			
	Inventory at 31 March 2011	1 920	(1)		
				9 700	
Gross profit *(must be correct caption)*				6 510	(1)OF
Rent		600	(1)		
Electricity		360	(1)		
Insurance		580	(1)		
Wages		1 370	(1)		
				2 910	
[Net] Profit [for the year] *(must have caption)*				3 600	(1)OF

[12]

(c) (i) Gross profit / sales = 6510 (1)OF / 16210 (1)OF = 40.16% (1)OF [3]

(ii) Net profit / sales = 3600 (1)OF / 16210 (1)OF = 22.21% (1)OF [3]

(d) (i) New gross profit / new sales = 9010 (1)OF / 18710 (1)OF = 48.16% (1)OF [3]

(ii) Increased (1)OF [1]

[Total: 26]

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4 (a) An **other payable (accrued expense)** is an amount due and payable [in respect of expenses incurred in an accounting period] (1) which remains unpaid at the end of that period (1). [2]

(b)

Khalim
Fuel expenses account

				2010			
				1 May	Balance b/d	30	(1)
2011				2011			
30 April	Bank	340	(1)	30 April	Income statement	360	(1)OF
	Balance c/d	50	(1)		*(accept profit/loss acc)*		
		390				390	
				1 May	Balance b/d	50	(1)

(+ 1 for all correct dates)
[6]

(c)

	Non-current tangible	Non-current intangible	Current
Warehouse	✓(1)		
Goodwill		✓(1)	
Motor van	✓(1)		
Trade receivables			✓(1)

[4]

(d) At the lower (1) of cost (1) and net realisable value (1) [3]

(e)

Chair type	Units in stock	Cost or net realisable value per unit $	Total value $
Armchair	15 (1)	55 (1)	825
Dining chair	36 (1)	20 (2)	720
Folding chair	60 (1)	15 (1)	900
			2 445 (1)

[8]

[Total: 23]

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5 (a) Straight line method, revaluation method (1 mark each) [2]

(b) Depreciation

(i) Year 1 4500 (1) @ 40% (1) = 1800 (1)OF

(ii) Year 2 (4500 – 1800) = 2700 (2)OF @ 40% = 1080 (1)OF

(iii) Year 3 (2700 – 1080) = 1620 (2)OF @ 40% = 648 (1)OF

[9]

(c)

Piranha Limited
Balance Sheet at end of third year (extract)

	Cost	Provision for Depreciation	Net book value
	$	$	$
Non-current assets			
Computer system	4500 (1)	3528 (1)OF	972 (1)OF

[3]

(d) Depreciation rate should have been higher (1) because net book value after three years ($972) is greater than expected scrap value after three years ($750) (1) [2]

(e)

	Increase	Decrease	No effect
Net profit			✓(2)
Working capital	✓(2)		
Return on capital employed		✓(2)	

[6]

[Total: 22]

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6 (a)

Error 1

	Dr	Cr
Suspense	180 (1)	
[Carlo] – [loan]		180 (1)

Error 2

Cash [book]	850 (1)	
Sales		850 (1)

Error 3

Purchases	900 (1)	
Suspense		900 (1)

Error 4

Fixtures and fittings	1200 (1)	
Repairs		1200 (1)

[8]

(b)

Monica
Suspense account

[Difference on] trial balance (1)	720	(1)	Purchases (1)	900	(1)
Carlo – loan account (1)	180	(1)			
	900			900	

[6]

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(c)

Monica
Statement of corrected profit for the year ended 28 February 2011

Draft profit		3600	(1)
Error 1:	no effect		
Error 2:	add: sales	850	(1)
Error 3:	less: purchases	(900)	(1)
Error 4:	add: repairs	1200	(1)
Corrected profit		4750	(1)OF

[5]

[Total: 19]

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