UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

International General Certificate of Secondary Education

MARK SCHEME for the May/June 2012 question paper

for the guidance of teachers

0452 ACCOUNTING

0452/13 Paper 1, maximum raw mark 120

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1 Key

(a) C [1]

(b) D [1]

(c) D [1]

(d) A [1]

(e) B [1]

(f) B [1]

(g) D [1]

(h) C [1]

(i) A [1]

(j) A [1]

[Total: 10]

2 (a) Invoice [1]

(b) To show the financial position of a business on a certain date. [1]

(c)

	Asset	Liability
Inventory	✓**(1)**	
Rent receivable prepaid		✓**(1)**
Trade payables		✓**(1)**

[3]

(d) To calculate how much it has cost the business to manufacture the goods **(1)** produced in the financial year **(1)**. [2]

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(e) **(i)** Money measurement **(1)**

(ii) Relevance **(1)** [2]

(f) (300 × $10.30) **(1)** = $3090 – 4% = $3090 – $123.60 = $2966.40 **(1)** [2]

(g) Land, buildings, machinery, equipment, fixtures, motor vehicles, goodwill
Any 2 (1) each [2]

(h) The business is treated as being completely separate from the owner. **(1)**
The accounting records relate only to the business, **(1)** [2]

(i) **(**200 × $100) **(1)** = $20 000 × 3% × ½ = $300 **(1)** [2]

(j)

Payments	$2100	
Less opening accrual	350	**(1)**
	1750	
Plus closing accrual	470	**(1)**
Charge for the year	2220	**(1)**

[3]

[Total: 20]

3 **(a)** To assist in the preparation of financial statements
To check for **arithmetical** accuracy/errors (must include arithmetical)
Any 1 reason (1) [1]

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(b)

Hans Lee
Trial Balance at 30 April 2012

	Dr $	Cr $	
Revenue		110 000	
Purchases	65 000		
Inventory *(1 May 2011)*	11 500		**(1)**
Trade receivables	1 300		**}**
Trade payables		1 900	**}(1)**
Machinery	7 400		
Expenses	31 600		
Bank overdraft		3 100	**(1)**
Capital		11 500	**}**
Drawings	7 600		**}(1)**
Suspense **(1)**	2 100		**(1) OF**
	126 500	126 500	**(1)**

[7]

(c)

Hans Lee
Journal

		Debit $	Credit $	
1	Purchases	1 600		**(1)**
	Suspense		1 600	**(1)**
2	Suspense	300		**(1)**
	John Tan		300	**(1)**
3	Drawings	200		**(1)**
	Suspense		200	**(1)**

[6]

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(d)

	Increase	Decrease	No effect
Error 1		✓**(1)**	
Error 2			✓**(1)**
Error 3			✓**(1)**

[3]

(e) All the errors have NOT YET been discovered. **(1)**
There is a balance remaining on the suspense account/Trial Balance. **(1)** [2]

[Total: 19]

4 **(a)** To avoid recording small cash payments in the main cash book **(2)**
To reduce the number of entries in the main cash book **(2)**
Any one reason (2) [2]

(b) The petty cashier starts each month with the same amount of money. **(1)**
At the end of the period the amount spent is reimbursed so the cash remaining is equal to the imprest amount. **(1)** [2]

(c) Refer to next page [12]

(d)

Postages and stationery account

2012	$		2012		$	
April 30 Petty cash	60	**(1)**	April 30	Petty cash	4	**(1)**

Motor expenses account

2012	$	
April 30 Petty cash	38	**(1)**

Catering supplies account

2012	$	
April 30 Petty cash	12	**(1)**

Cleaning account

2012	$	
April 30 Petty cash	70	**(1)**

[5]

(e) $24 **(1) O/F from (c)** [1]

[Total: 22]

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4 continued Theba – Petty Cash Book

Total Received	Date	Details	Total Paid	Postages and stationery	Motor expenses	Catering supplies	Cleaning
$			$	$	$	$	$
97	April 1	Balance b/d					
103 **(1)**		Bank					
	4	Postage stamps	24	24 **(1)**			
4 **(1)**	12	Stationery	36	36 **(1)**			
	17	Fuel	38		38 **(1)**		
	21	Stationery refund					
	24	Catering supplies	12			12 **(1)**	
	29	Cleaning	70				70 **(1)**
			180	60	38	12	70
	30	Balance c/d	24				
204	May 1		204				
		Balance b/d					
24 **(1)**		Bank/Cash					
176 **(1)**							
O/F							

Totals of analysis columns (1);
Totals of total columns (1)
Dates (1) [12]

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5 (a) Additional finance
Additional knowledge and skills
Sharing of responsibilities
Sharing of risks
Discussions can take place before taking decisions
Any 2 (1) each [2]

(b) Profits have to be shared
Decisions have to be recognised by all partners/disagreements may arise
Decisions may take longer to put into effect
One partner's actions are binding on all partners
All partners are responsible for the debts of the business
Any 2 (1) each [2]

(c) Raoul and Hassan
Journal

	Debit $	Credit $	
Bank	6000		**(1)**
Capital Raoul		6000	**(1)**
Inventory	4000		**(1)**
Capital Hassan		4000	**(1)**
Rent	600		**(1)**
Shop fittings	750		**(1)**
Bank (or Cash Book)		1350	**(2)**

[8]

(d) Raoul and Hassan
Profit and Loss Appropriation Account for the year ended 31 March 2012

		$		$		$	
Profit for the year						8800	**(1)**
Less Interest on capital –	Raoul	180	**(1)**				
	Hassan	120	**(1)**	300			
Partner's salary – Rauol				3000	**(1)**	3300	
						5500	
Profit shares –	Raoul			2200	**(2)(1) OF**		
	Hassan			3300	**(2)(1) OF**	5500	

[8]

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(e)

Raoul
Current account

2012		$	2012		$	
Mar 31	Balance c/d	5380	Mar 31	Interest on cap	180	**(1)O/F**
				Salary	3000	**(1)**
				Profit share	2200	**(1)O/F**
		5380			5380	
			April 1	Balance b/d	5380	**(1)O/F**

[4]

(f) Increase Raoul's salary
Allow commission on sales
Change the profit-sharing ratio
Any 1 (2) [2]

[Total: 26]

6 (a) (i) Current assets – current liabilities **(1)**
(36 000 + 60 000) – (63 000 + 17 000) = 96 000 – 80 000 **(1)**
= $16 000 **(1) OF** [3]

(ii) Current assets : current liabilities **(1)**
96 000 : 80 000 **(1)** = 1.2 : 1 **(1) OF** [3]

(iii) Current assets – inventory : current liabilities **(1)**
60 000 : 80 000 **(1)** = 0.75 : 1 **(1) OF** [3]

(b) (i) Cole Limited **(1)**
Cole Limited can pay the immediate liabilities from **the current assets** and/or Fanza Limited's ratio is lower than is usually acceptable **(2)** [3]

(ii) Cole Limited **(1)**
Cole Limited can meet the immediate liabilities from **the liquid assets** but Fanza may have difficulty in paying current liabilities when they fall due/Fanza Limited's ratio is lower than is usually acceptable **(2)** [3]

(c) Receive a fixed rate of dividend
The dividend is paid before ordinary share dividend
Capital is returned before ordinary share capital in a winding up
Do not usually carry voting rights
Preference shares are part of the capital of the company
Preference shareholders are members of the company
Any 2 (2) each [4]

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(d) Receive a fixed rate of interest
Interest is paid irrespective of the profit of the company
Are long term loans
Are often secured on the assets of the company
Debentures are repaid before share capital in a winding up
Debenture holders are not members of the company
Do not carry voting rights

Any 2 (2) each [4]

[Total: 23]

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