CAMBRIDGE INTERNATIONAL EXAMINATIONS

International General Certificate of Secondary Education

MARK SCHEME for the May/June 2013 series

0452 ACCOUNTING

0452/12 Paper 1, maximum raw mark 120

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.

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1 (a) C

(b) B

(c) D

(d) A

(e) D

(f) C

(g) C

(h) B

(i) B

(j) A

(1) Mark each **[Total: 10]**

2 (a) Asset – Liabilities = Capital **[1]**

(b) Bookkeeping – detailed recording of all financial transactions of a business **(2)**
Accounting – preparing financial statements at regular intervals from the bookkeeping records **(2)** **[4]**

(c)

Teresa
Trial Balance at 31 January 2013

	$	$
Drawings	29 100 **(1)**	
Vehicles	16 200	
Rent	3 400	
Inventory at 1 February 2012	19 100 **(1)**	
Equipment	12 100	
Trade payables		16 600 **(1)**
Trade receivables	19 300 **(1)**	
Sales		210 100
Purchases	131 600	
Carriage inwards	400 **(1)**	
Discount received		1 100 **(1)**
Bank overdraft		17 000
Wages	21 800	
General expenses	11 200	
Capital		19 400 **(1) OF**
	264 200	264 200 **(1) CF**

[8]

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(d) Any two from –
Omission **(1)**
A transaction is completely omitted from the books **(2)**
Commission **(1)**
A transaction is posted to the wrong account of the same class **(2)**
Principle **(1)**
A transaction is posted to an account of the wrong class **(2)**
Original entry **(1)**
An incorrect figure is used when the transaction is first recorded **(2)**
Reversal **(1)**
A debit entry is posted on the credit side and vice versa **(2)**
Compensating **(1)**
Two or more errors cancel each other out **(2)**

Naming any 2 errors (1) each
Describing the two named errors (2) each **[6]**

(e)

Teresa
Capital account

		$			$	
2013				2012		
Jan 31 Drawings		29 100	**(1)**	Feb 1 Balance b/d	19 400	**(1) OF**
Balance	c/d	38 500		2013		
				Jan 31 Profit for year	48 200	**(1)**
		67 600			67 600	
				2013		
				Feb 1 Balance b/d	38 500	**(1) OF**

[Dates and narratives not required] **[4]**

(f) To monitor progress **(1)** using accounting ratios **(1)**
For decision-making **(1)** for future planning **(1)**
For comparison purposes **(1)** with previous years or other businesses **(1)** **[2]**

[Total: 25]

3 (a)

Consistency	**(1)**
Duality	**(1)**
Money measurement	**(1)**
Prudence	**(1)**
Going concern	**(1)**

[5]

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(b) One from –
Jacqui made bulk purchases
Jacqui is in the same trade
Jacqui is a regular customer

Any one reason (2) **[2]**

(c) (i) 5% × $60 = $3 **[1]**

(ii)

Account to be debited		Account to be credited	
Discount allowed	**(1)**	Jacqui	**(1)**

[2]

(iii) One from –
Jacqui made prompt payment
Jacqui paid before the due date

Any one reason (2) **[2]**

(d)

	Trading business	Service business
Accountant		✓} **for both**
Hairdresser		✓}
Car dealer	✓} **for both**	
Computer component manufacturer	✓}	

[2]

[Total: 14]

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4 (a) Clothilde

Manufacturing Account for the year ended 31 January 2013

	$	$
Opening inventory of raw materials	3 600	
Purchases of raw materials	190 800 **(1)**	
Carriage on raw materials	1 100 **(1)**	
	195 500	
Less Closing inventory of raw materials	6 200	
Cost of materials consumed **(1)**		189 300 **(1) OF**
Direct wages		86 000 **(1)**
Prime cost **(1)**		275 300 **(1) OF**
Factory overheads		
Supervisor's salary	15 000	
Factory rent 80% × 30 000	24 000 **(1)**	
Factory power 80% × 25 000	20 000 **(1)**	
Factory insurance 80% × 5000	4 000 **(1)**	
Depreciation of machinery	3 000	66 000 **(1) CF**
		341 300 **(1) OF**
Opening work in progress		5 800 **(1)**
		347 100
Closing work in progress		6 100 **(1)**
Production cost of goods completed **(1)**		341 000 **(1) OF**

[16]

(b)

	$
Production cost of goods completed	341 000 **(1) OF**
Opening inventory of finished goods	19 600
	360 600
Closing inventory of finished goods	26 600 **(1) for both inventories**
Cost of sales	334 000 **(1) OF**

[3]

(c) $334 000 **(1) OF** + 50% = $501 000 **(1) OF** **[2]**

[Total: 21]

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5 (a) Ledger account **[2]**

(b)

Rent account

		$			$
2012			2012		
Jan 1	Balance b/d	6 000 **(1)**	Dec 31	Income statement	37 200 **(1) OF**
Feb 28	Bank /Cash	18 000 **(1)**		Balance c/d	6 600
Sept 1	Bank /Cash	19 800 **(1)**			
		43 800			43 800
2013					
Jan 1	Balance b/d	6 600 **(1) OF**			

+ (1) dates

[6]

Commission payable account

		$			$
2012			2012		
Dec 31	Bank /Cash	18 100 **(1)**	Jan 1	Balance b/d	1 700 **(1)**
	Balance c/d	1 150	Dec 31	Income statement	17 550 **(1) OF**
		19 250			19 250
			2013		
			Jan 1	Balance b/d	1 150 **(1) OF**

+ (1) dates

[5]

Stationery account

		$			$
2012			2012		
Jan 1	Balance b/d	120 **(1)**	Dec 31	Income statement	1 910 **(1) CF**
Dec 31	Bank /Cash	1 880 **(1)**		Balance c/d	90
		2 000			2 000
2013					
Jan 1	Balance b/d	90 **(1) OF**			

+ (1) dates

[5]

(c)

Ledger account	Balance sheet	
	Heading	Item
Commission payable	Current liabilities **(1)**	Other payables **(1)**
Stationery	Current assets **(1)**	Other receivables **(1)**

[4]

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(d) Journal

	Debit $	Credit $	
Sales	250		**(1)**
Cash		250	**(1)**
Drawings	150		**(1)**
Purchases		150	**(1)**

[4]

[Total: 26]

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6 (a) (i) At 31 March 2012
3.07 : 1 **(2) CF**

At 31 March 2013
1.67 : 1 **(2) CF** **[4]**

(ii) Any one from –
Increase in trade receivables
Increase in trade payables
Change in bank balance to overdrawn

Any one reason (1) **[1]**

(b) (i) At 31 March 2012
1.71 : 1 **(2) CF**

At 31 March 2013
0.67 : 1 **(2) CF** **[4]**

(ii) Any one from –
May have difficulty in paying debts when due
May not be able to obtain further supplies on credit
Cannot take advantage of cash discounts
Cannot take advantage of business opportunities when they arise

Any one effect (2) **[2]**

(c) Any two from –
Purchase of non-current assets
Purchase of inventory
Dividends paid/tax paid
Increase in debtors/non payment by debtors

Any two reasons (1) each **[2]**

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(d)

Jarvis Limited
Appropriation Account for the year ended 31 March 2013

	$	$
Profit for the year		26 000 **(1)**
Less Transfer to general reserve	10 000 **(1)**	
Ordinary share dividend paid (6000 **(1)** + 8000 **(1)**)	14 000	24 000
		2 000 **(1) OF**
Retained profit brought forward		29 000 **(1)**
Retained profit carried forward		31 000 **(1)**

[7]

(e) Any one from –
To set aside profit for re-investment
To indicate that part of the profit is not available for distribution
To set aside profit for payment of future dividends

Any one reason (2) **[2]**

(f) Authorised share capital
The total share capital a company is allowed to issue **(1)**

Issued share capital
The amount of the share capital which a company has actually issued to shareholders **(1)** **[2]**

[Total: 24]

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