Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

ACCOUNTING **0452/11**

Paper 1 **May/June 2016**

MARK SCHEME

Maximum Mark: 120

Published

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1 (a) A

(b) A

(c) D

(d) C

(e) B

(f) A

(g) C

(h) B

(i) C

(j) B

2 (a) capital at start of year **plus** profit for the year **plus** capital introduced **minus** drawings **[1]**

= capital at end of year **(1)**

(b)

	Account(s) debited$		Account(s) credited$	
1	*Purchases*	*1 000*	*Pamela*	*1 000*
2	Delivery van	17 000 **(1)**	Bank AM Motors	12 000 **(1)** 5 000 **(1)**
3	Wages	250 **(1)**	Bank	250 **(1)**
4	Ali	960 **(1)**	Sales	960 **(1)**
5	Cash	110 **(1)**	Bank	110 **(1)**

[9]

(c) Transaction 3 **(1)** **[1]**

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(d) Transaction 4 **(1)** **[2]**

$360 **(1)**

(e) Transaction 5 **(1)** **[1]**

(f) capital employed = owner's capital + non-current liabilities **(1)** **[1]**

OR

capital employed = total assets – current liabilities **(1)**

(g) cash book **(1)** **[1]**

(h) general journal **(1)** **[1]**

(i)

	asset	liability	expense	income
premises	✓			
accrued wages		✓		
decrease in provision for doubtful debts				✓
bank loan		✓		
depreciation charge			✓	
carriage outwards			✓	

Any two items correct for **(1)** mark **[3]**

[Total: 20]

3 (a)

It contains details of the quantity and price of goods supplied.	False **(1)**
It shows the value of trade discount given.	False **(1)**
It shows the balance owing at the start of the period.	True **(1)**
It is sent to remind the customer of the amount owed.	True **(1)**

[4]

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(b)

	Dilip	James
invoice	✓ **(1)**	
credit note	✓ **(1)**	
debit note		✓ **(1)**

[3]

(c) Dilip – sales returns journal **(1)**
James – purchases returns journal **(1)** **[2]**

(d) Invoice – when goods are sold **(1)**
Credit note – when goods are returned **(1)**
Statement of account – at end of the period, usually a month **(1)** **[3]**

(e)

Dilip
James account

2016		$		2016		$	
Mar 1	Balance b/d	300	**(1)**	Mar 3	Bank	291	**(1)**
6	Sales	496	**(1)**		Discount allowed	9	**(1)**
				13	Sales returns	144	**(1)**
				31	Balance c/d	352	
		796				796	
Apr 1	Balance b/d	352	**(1of)**				

+(1) for dates **[7]**

(f) Item – trade receivables **(1)**
Section – current assets **(1)** **[2]**

(g) For early payment **(1)** **[1]**

[Total: 22]

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4 (a)

Name of accounting principle or policy	Explanation
Duality	*Every transaction has a two-fold aspect*
Prudence **(1)**	Profits should not be overstated
Money measurement **(1)**	Financial statements only include items which can be expressed in monetary terms
Going concern	Accounting assumes that a business will continue to operate indefinitely **(1)**
Business entity	A distinction is made between the financial transactions of a business and those of its owner(s) **(1)**
Reliability **(1)**	Accounting information should be free from error and bias
Consistency	The same accounting treatment should be applied to similar items at all times **(1)**

[6]

(b) different accounting policies
different locations
different capital structures
different type of business
different type of goods sold
different year end
non-monetary items
different size of business

Accept other reasonable answer

Any two for **(1)** mark each **[2]**

(c)

User	Reason
Bank manager	To make decision regarding loan or overdraft **(1)**
Credit supplier	To ensure credit worthiness of customer **(1)** To establish credit limit **(1)**
Investor	To see the return on his investment **(1)**

Other reasonable answers accepted.

[3]

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(d) Prime cost = direct materials **plus** direct labour **(1) plus** direct expenses **(1)** **[2]**

(e)

	manufacturing account	income statement
depreciation of factory machinery	✓	
depreciation of delivery van		✓
royalties	✓	
factory rent	✓	
salesman's commission		✓
factory supervisor's salary	✓	
sales returns		✓
closing inventory of work in progress	✓	

(1) mark for any **two** items correct **[4]**

(f) Items of production which are partial completed **(1)** **[1]**

(g) Because a boat takes longer to make than a bread roll **(1)** **[1]**

[Total: 19]

5 (a)

Rohinton
Cash book (bank columns only)

2016		$		2016		$	
Feb 1	Balance b/d	3 188	**(1)**	Feb 1	Insurance	720	**(1)**
					Balance c/d	2 468	
		3 188				3 188	
Feb 1	Balance b/d	2 468	**(1of)**				

[3]

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(b)

Rohinton
Bank reconciliation statement at 31 January 2016

	$		$	
Balance per updated cash book **(1)**			2468	**(1of)**
Add: unpresented cheques – Arun	402	**(1)**		
– Charles	780	**(1)**	1182	
			3650	
Less: uncredited deposit – Ling			(195)	**(1)**
Balance per bank statement **(1)**			3455	**(1)**

OR

Rohinton
Bank reconciliation statement at 31 January 2016

	$		$	
Balance per bank statement **(1)**			3455	**(1)**
Less: unpresented cheques – Arun	402	**(1)**		
– Charles	780	**(1)**	(1182)	
			2273	
Add: uncredited deposit – Ling			195	**(1)**
Balance per updated cash book **(1)**			2468	**(1of)**

[7]

(c)

Rohinton
Statement of affairs at 31 January 2016

			$		$	
Non-current assets						
Fixtures and fittings – cost			4000	**(1)**		
– depreciation4000 × 0.15 ÷ 12			(50)	**(1)**	3950	
Current assets						
Inventory			1211	**(1)**		
Trade receivable			70	**(1)**		
Other receivables – rent	2000	**(1)**				
– insurance	660	**(1)**	2660			
Bank			2468	**(1of)**		
Cash			710	**(1)**	7119	
Current liabilities						
Trade payable					(550)	**(1)**
Net assets					10519	
Capital					10519	**(1of)**

[10]

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(d)

	$	
Capital – at 31 January 2016	10 519	**(1of)**
– at 1 January 2016	10 000	**(1)**
Profit for the month	519	**(1of)**

[3]

[Total: 23]

6 (a) Annual depreciation $3720 (1)

11 160**(1)** / 3720 = 3 years **(1)** **[3]**

(b)

David and Harold
Income Statement for the year ended 31 March 2016

	$		$	
Revenue (sales)			142 000	**(1)**
Inventory at 1 April 2015	36 000			
Purchases	83 100	**(1)**		
	119 100			
Inventory at 31 March 2016	26 800			
Cost of sales			92 300	**(1)**
Gross profit			49 700	**(1of)**
Depreciation	3 720	**(1of)**		
Rent	12 000	**}**		
Wages	16 500	**}(1)**		
Other operating expenses	11 300	**(1)**		
			43 520	
Profit for the year			6 180	**(1of)**

[8]

(c)

David and Harold
Appropriation Account for the year ended 31 March 2016

		$	
Profit for the year		6 180	**(1of)**
Salary – David		(12 000)	**(1)**
		(5 820)	
Share of residual loss – David	(3 880)		
– Harold	(1 940)	(5 820)	**(1of)**

[3]

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(d)

	$	
Salary	12 000	**(1of)**
Share of loss	(3 880)	**(1of)**
Total	8 120	**(1of)**

[3]

(e) Interest on drawings might encourage partners to reduce drawings. (1) **[1]**

(f) $\frac{49\,700}{142\,000}$ **(1of)** $\times \frac{100}{1} = 35\%$ **(1of)** **[2]**

(g) Cost of sales = [142 000 **(1)** × (1 – 0.45)**(1)**] = $78 100 **(1)**

(36 000 + 83 100) **(1)** – 78 100 = 41 000 **(1)**

OR

	$	
Opening inventory	36 000	**}**
Purchases	83 100	**}(1)**
Cost of sales	(78 100)*	**(3)**
Expected closing inventory	41 000	**(1of)**

*142 000 **(1)** – 63 900 **(1)** = $78 100 **(1)** **[5]**

(h) Any reasonable answer for (1) mark **[1]**

E.g. Theft, pilferage, damage, obsolescence, more/higher sales activity

[Total: 26]

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