Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

ACCOUNTING **0452/13**

Paper 1 **May/June 2017**

MARK SCHEME

Maximum Mark: 120

Published

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Question	Answer	Marks
Glossary for Question 1		
(d)	A charge for year B accumulated depreciation C straight line D net book value	
(f)	A 426 000+90 000–40 000–25 000=451 000 B 426 000+90 000–40 000=476 000 C 426 000+90 000–40 000+25 000=501 000 D 426 000+90 000=516 000	
(h)	A 72 000×1.6=115 200 B 80 000×1.6=128 000 C 72 000÷0.4=180 000 D 80 000÷0.4=200 000	
(j)	A (14 000–2000)×0.2=2400 B (14 000+3600–2 000)×0.2=3120 C (14 000+3600)×0.2=3520 D (14 000+3600–2000)×0.25=3900	

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Question	Answer	Marks
1(a)	A **(1)**	**1**
1(b)	C **(1)**	**1**
1(c)	B **(1)**	**1**
1(d)	B **(1)**	**1**
1(e)	D **(1)**	**1**
1(f)	B **(1)**	**1**
1(g)	D **(1)**	**1**
1(h)	A **(1)**	**1**
1(i)	C **(1)**	**1**
1(j)	B **(1)**	**1**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)</td><td>An income statement shows incomes and expenses (1) and is prepared for a period of time (1).
A statement of financial position shows assets and liabilities (1) and is prepared at a particular date (1).</td><td>4</td></tr>
<tr><td>2(b)</td><td><table>
<tr><td></td><td>asset</td><td>liability</td><td>income</td><td>expense</td></tr>
<tr><td>bank loan</td><td></td><td>✓(1)</td><td></td><td></td></tr>
<tr><td>insurance</td><td></td><td></td><td></td><td>✓(1)</td></tr>
<tr><td>equipment</td><td>✓(1)</td><td></td><td></td><td></td></tr>
<tr><td>depreciation charge</td><td></td><td></td><td></td><td>✓(1)</td></tr>
</table></td><td>4</td></tr>
<tr><td>2(c)</td><td>Income statement $1500 (1)
Statement of financial position $4500 (1)</td><td>2</td></tr>
<tr><td>2(d)</td><td>accounts of the same type can be kept together
helps to locate errors
allows tasks to be divided between different people
deters fraud
allows checking procedures to be introduced
any one for (1) mark</td><td>1</td></tr>
<tr><td>2(e)(i)</td><td>Sales ledger – accounts of individual credit customers (1)
Purchases ledger – accounts of individual credit suppliers (1)</td><td>2</td></tr>
<tr><td>2(e)(ii)</td><td>any suitable example for (1) mark
e.g. sales, purchases, insurance</td><td>1</td></tr>
</table>

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Question	Answer	Marks
2(f)	cash book petty cash book sales journal sales returns journal purchases journal purchases returns journal general (nominal) journal any two for **(1)** mark each	**2**
2(g)	<table><tr><td></td><td>true or false</td></tr><tr><td>The recording of financial transactions is called accounting</td><td>false **(1)**</td></tr></table>	**1**

Question	Answer	Marks
3(a)(i)	in the books of Pich <table><tr><td>debit account</td><td>$</td><td>credit account</td><td>$</td></tr><tr><td>Roger</td><td>5000 **(1)**</td><td>sales</td><td>5000 **(1)**</td></tr></table>	**2**
3(a)(ii)	in the books of Roger <table><tr><td>debit account</td><td>$</td><td>credit account</td><td>$</td></tr><tr><td>purchases</td><td>5000 **(1)**</td><td>Pich</td><td>5000 **(1)**</td></tr></table>	**2**
3(b)	Invoice **(1)** Pich **(1)**	**2**
3(c)	<table><tr><td>debit account</td><td>$</td><td>credit account</td><td>$</td></tr><tr><td>bank discount allowed</td><td>4875 **(1)** 125 **(1)**</td><td>Roger</td><td>5000 **(1)**</td></tr></table>	**3**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(d)(i)</td><td>discount received account (1)</td><td>1</td></tr>
<tr><td>3(d)(ii)</td><td>income statement (1)</td><td>1</td></tr>
<tr><td>3(e)</td><td>A credit note (1) is issued by the supplier when goods are returned.
A debit note (1) may be issued by the customer when goods are returned.</td><td>2</td></tr>
<tr><td>3(f)</td><td>
Pich
Bad debts account
<table>
<tr><th>Date</th><th>Details</th><th>$</th><th></th><th>Date</th><th>Details</th><th>$</th><th></th></tr>
<tr><td>2016</td><td></td><td></td><td></td><td>2017</td><td></td><td></td><td></td></tr>
<tr><td>Dec 1</td><td>Amit</td><td>860</td><td>(1)</td><td>Feb 28</td><td>Income statement</td><td>1960</td><td>(1)OF</td></tr>
<tr><td>2017</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Feb 28</td><td>Ruth</td><td>1100</td><td>(1)</td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td>1960</td><td></td><td></td><td></td><td>1960</td><td></td></tr>
</table>

Provision for doubtful debts account
<table>
<tr><th>Date</th><th>Details</th><th>$</th><th></th><th>Date</th><th>Details</th><th>$</th><th></th></tr>
<tr><td>2017</td><td></td><td></td><td></td><td>2016</td><td></td><td></td><td></td></tr>
<tr><td>Feb 28</td><td>Balance c/d</td><td>2548</td><td>(3)*</td><td>Mar 1</td><td>Balance b/d</td><td>2240</td><td>(1)</td></tr>
<tr><td></td><td></td><td></td><td></td><td>2017</td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td>Feb 28</td><td>Income statement</td><td>308</td><td>(1)OF</td></tr>
<tr><td></td><td></td><td>2548</td><td></td><td></td><td></td><td>2548</td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td>2017</td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td>Mar 1</td><td>Balance b/d</td><td>2548</td><td>(1)OF</td></tr>
</table>

* (64 800–1100) (1) × 0.04 (1) = 2548 (1)OF

Ruth account
<table>
<tr><th>Date</th><th>Details</th><th>$</th><th></th><th>Date</th><th>Details</th><th>$</th><th></th></tr>
<tr><td>2017</td><td></td><td></td><td></td><td>2017</td><td></td><td></td><td></td></tr>
<tr><td>Feb 28</td><td>Balance b/d</td><td>1100</td><td>(1)</td><td>Feb 28</td><td>Bad debts</td><td>1100</td><td>(1)</td></tr>
</table>

+(1) for dates</td><td>12</td></tr>
</table>

Question	Answer	Marks
3(g)	Pich Statement of Financial Position (extract) at 28 February 2017 Current assets $ Trade receivables 63 700 **(1)** Provision for doubtful debts (2 548) **(1)OF** 61 152 **(1)OF**	**3**

Question	Answer	Marks
4(a)	A copy of the customer's account as it appears in the books of the bank. **(1)**	**1**
4(b)	3 and 4 **(1)**	**1**
4(c)	$ original balance 2890 correction of error 90 **(1)** bank charges (50) **(1)** dishonoured cheque (200) **(1)** updated balance 2730 **(1)OF** accept alternative presentation	**4**
4(d)	Yeo Bank Reconciliation Statement at 30 April 2017 $ Balance in cash book **(1)** 2730 **(1)OF** Add unpresented cheque 400 **(1)** 3130 Less uncredited deposit (180) **(1)** Balance on bank statement **(1)** 2950 **(1)OF** accept alternative presentation	**6**
4(e)	$2730 **(1)OF** current assets **(1)OF**	**2**

Question	Answer	Marks
4(f)	insufficient funds in account no signature on cheque wrong signature no date words and figures do not agree cheque is out of date any one for **(1)** mark	**1**
4(g)	preparing of trial balance **(1)** OR preparing of control account **(1)**	**1**

Question	Answer	Marks
5(a)	more capital introduced to business more expertise available responsibilities are shared e.g. holidays, sickness risk is shared losses are shared any two for **(1)** mark each	**2**
5(b)(i)	To record the difference between the amounts earned from the partnership and the amounts withdrawn from the partnership **(1)** To show the retained profit of each partner **(1)** To make it easier to calculate interest on capital **(1)** To reveal excess drawings **(1)** **[max 1]**	**1**
5(b)(ii)	Ann owes money to the partnership. **(1)** The partnership owes money to Bindu. **(1)**	**2**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(c)</td><td>
Ann and Bindu
Appropriation Account for the year ended 28 February 2017
<table>
<tr><td></td><td>$</td><td></td><td>$</td><td></td></tr>
<tr><td>Profit for the year</td><td></td><td></td><td>24 500</td><td></td></tr>
<tr><td>Less interest on capital – Ann</td><td>3000</td><td>(1)</td><td></td><td></td></tr>
<tr><td>– Bindu</td><td>2500</td><td>(1)</td><td>5 500</td><td></td></tr>
<tr><td>Less salary – Ann</td><td></td><td></td><td>4 000</td><td>(1)</td></tr>
<tr><td></td><td></td><td></td><td>15 000</td><td></td></tr>
<tr><td>Shares of profit – Ann</td><td>9000</td><td>(1)OF</td><td></td><td></td></tr>
<tr><td>– Bindu</td><td>6000</td><td>(1)OF</td><td>15 000</td><td></td></tr>
</table>
</td><td>5</td></tr>
<tr><td>5(d)</td><td>
Ann and Bindu
Current accounts
<table>
<tr><td>Details</td><td>$
Ann</td><td>$
Bindu</td><td></td><td>Details</td><td>$
Ann</td><td>$
Bindu</td><td></td></tr>
<tr><td>Balance b/d</td><td>5 000</td><td></td><td></td><td>Balance b/d</td><td></td><td>3 000</td><td>(1)*</td></tr>
<tr><td>Drawings</td><td>12 500</td><td>10 000</td><td>(1)*</td><td>Interest on capital</td><td>3 000</td><td>2 500</td><td>(1)OF*</td></tr>
<tr><td>Balance c/d</td><td></td><td>1 500</td><td></td><td>Salary</td><td>4 000</td><td></td><td>(1)</td></tr>
<tr><td></td><td></td><td></td><td></td><td>Shares of profit</td><td>9 000</td><td>6 000</td><td>(1)OF*</td></tr>
<tr><td></td><td></td><td></td><td></td><td>Balance c/d</td><td>1 500</td><td></td><td></td></tr>
<tr><td></td><td>17 500</td><td>11 500</td><td></td><td></td><td>17 500</td><td>11 500</td><td></td></tr>
<tr><td>Balance b/d</td><td>1 500</td><td></td><td></td><td>Balance b/d</td><td></td><td>1 500</td><td>(1)OF*</td></tr>
</table>
* mark for both items
</td><td>6</td></tr>
<tr><td>5(e)</td><td>
<table>
<tr><td></td><td>effect
(understated or overstated)</td><td>$</td><td></td></tr>
<tr><td>gross profit</td><td>overstated</td><td>$750</td><td>(1)</td></tr>
<tr><td>profit for the year</td><td>overstated</td><td>$750</td><td>(1)</td></tr>
<tr><td>share of profit – Ann</td><td>overstated</td><td>$450</td><td>(1)</td></tr>
<tr><td>– Bindu</td><td>overstated</td><td>$300</td><td>(1)</td></tr>
</table>
</td><td>4</td></tr>
<tr><td>5(f)</td><td>It avoids inventory/current assets/profit being overstated. (1)</td><td>1</td></tr>
</table>

Question	Answer	Marks
5(g)	The loss arising from the damage is recorded in the same year as the damage occurred. **(1)**	1

Question	Answer	Marks
6(a)		4
6(b)(i)	Cost of raw materials 112 500 **(1)**+(5000–7500) **(1)**=110 000 **(1)OF**	2
6(b)(ii)	Prime cost 110 000 **(1)OF** +82 000=192 000 **(1)OF**	2
6(b)(iii)	Cost of production 192 000 **OF** +(41 800+6000) **(1)**=239 800 **(1)OF** accept alternative formats	2

	factory overheads	distribution costs	administrative expenses
factory rent	✓		
carriage outwards		✓**(1)**	
depreciation of office equipment			✓**(1)**
factory supervisor's salary	✓**(1)**		
repairs of delivery vehicles		✓**(1)**	

Question	Answer	Marks
6(c)	G Limited Income Statement for the year ended 31 December 2016 $ $ Revenue 550 000 **(1)** Inventory of finished goods – 1 Jan 2016 51 000 Cost of production 239 800 **(1)OF** Purchases of finished goods 95 200 **(1)** 386 000 Inventory of finished goods – 31 Dec 2016 47 300 **(1)*** Cost of sales 338 700 Gross profit 211 300 **(1)OF** Distribution costs 61 800 **(1)** Administrative expenses 95 100 **(1)** Finance charges 16 100 **(1)** 173 000 Profit for the year 38 300 **(1)OF** * mark for both inventory figures	**9**
6(d)	It is cheaper to buy than produce **(1) OR** Demand is higher than production at full capacity **(1)** accept other suitable answers	**1**
6(e)	Savings old depreciation 6 000 **(1)** repairs 9 000 **(1)** raw materials 110 000 **(1)OF**×0.04 **(1)** 4 400 19 400 Less additional costs new depreciation (10 000) **(1)** additional interest (8 000) **(1)** Increase in profit 1 400 **(1)OF**	**7**