UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

International General Certificate of Secondary Education

MARK SCHEME for the October/November 2010 question paper for the guidance of teachers

0452 ACCOUNTING

0452/12 Paper 1, maximum raw mark 120

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UNIVERSITY of CAMBRIDGE
International Examinations

1 (a) D [1]

(b) B [1]

(c) B [1]

(d) A [1]

(e) C [1]

(f) D [1]

(g) D [1]

(h) C [1]

(i) B [1]

(j) A [1]

[Total: 10]

2 (a) [Sales] invoice) but only 1 mark for "invoice"
[Purchase] invoice)
Credit note
Debit note
Cheque, receipt
Petty cash voucher

NOT: statement, bank statement, cash book, journals, day books
any two, 1 mark each [2]

(b)

	Income	Expense
Bad debt recovered	✓ (1)	
Interest charged to customers on overdue accounts	✓ (1)	
Discount allowed		✓ (1)

[3]

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(c)

Debit	Credit
✓ (1)	

(d) Reliability / reliable [1]

(e) Commission [1]

(f) A shareholder's liability for a company's debts is limited to the amount they have paid for their shares. [2]
Accept: shareholder's assets are not available to pay company debts/losses

(g) 50 dresses bought, 30 sold, 20 remaining
Cost $13.00, carriage inwards $1.00 each, total $14.00
Net realisable value $13.50

Value in balance sheet 20 **(1)** × $13.50 **(1)** = $270 **(1)** [3]
Correct figures only, not OF total

(h) **(i)** $150.00 – $80.50 = $69.50 **(2)**

(ii) $80.50 **(2)** [4]

(i) Rate of stock turnover = Cost of goods sold / Average stock
= 45 000 **(1)** / (6000 + 9000) **(1)** / 2 **(1)**
= 6 times **(1)OF** [4]

Or: = Average stock / Cost of goods sold × 365
= ((6000 + 9000) **(1)** / 2 **(1)**) / 45 000 **(1)** × 365
= 60.83 days **(1)OF** [4]
Accept 61 or 60 days

Note: calculation mark may be awarded if "times" or "days" not stated but not if any other description shown e.g. %

[Total: 21]

3 **(a)** Items on bank statement not shown in cash book
(*accept individual items, bank charges, bank interest, etc.*)
Items in cash book not on bank statement
(*accept individual items, cheques not yet presented, etc.*)
Errors in cash book or made by bank (*accept only one type of error*)
Dishonoured cheques
any two, 2 marks each [4]

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(b) Ottoman – Cash Book (bank columns)

Date	Detail	Dr $	Date	Detail	Cr $
Sept 30	Balance b/d	850.00 **(1)**	Sept 30	Bank charges	60.00 **(1)**
30	Rent	800.00 **(2)**	30	Balance c/d	1890.00 **(2)**
13	[Cash] sales (***not*** *to correct error*)	300.00 **(2)**		(*no aliens, may award if account reversed*)	
		1950.00….			1950.00…..

(Marks are for detail and amount, not date) Balance mark only for reversed cash book. [8]

(c) Ottoman
Bank Reconciliation Statement at 30 September 2010

Either:

	$
Balance on updated cash book [at 30 September 2010] (*accept updated balance, balance b/d if agrees with* ***(b)***)	1890.00 **(2)OF** (*must agree with* ***(b)*** *above*)
Add: cheques issued not yet paid (unpresented cheques)	250.00 **(2)**
Less: cheque paid in not yet credited by bank (*accept reasonable description*)	(480.00) **(2)**
(*marks are for description, amount and correct* + *or* –)	
Balance on bank statement [at 30 September 2010]	1660.00 **(1)** (*must be correct figure*)

[7]

Or:

	$
Balance on bank statement [at 30 September 2010]	1660.00 **(1)** (*must be correct figure*)
Less: cheques issued not yet paid (unpresented cheques)	(250.00) **(2)**
Add: cheque paid in [not yet credited by bank] (*accept reasonable description*)	480.00 **(2)**
(*marks are for description, amount and correct* + *or* –)	
Balance on updated cash book [at 30 September 2010] (*accept updated balance, balance b/d if agrees with* ***(b)***)	1890.00 **(2)OF** (*must agree with* ***(b)*** *above*)

[7]

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(d) (i) Current assets **(2)**
accept current liabilities if overdrawn on OF

(ii) $1890 **(2)OF** *from **(b)** above, not **(c)** if different* [4]

[Total: 23]

4 (a) To inform or remind the customer of the amount due
To confirm the settlement terms
To ensure that no errors have been made by customer or supplier
Other relevant comment *any one* [2]

(b) (i) Sam had taken 2% discount ($8.00) [1]
accept any mention of discount taken, whether entitled or not

(ii) No, not correct amount **(1)**
Sam did not pay the amount due within the 21 days / time limit allowed to earn any discount **(2)** [3]

(c) (i) Amount due $265.00 **(1)** @ 2% **(1)** = $5.30 **(1)** [3]
(correct figures only)

(ii) Net amount due $265.00 **(1)** – $5.30 **(1)** = $259.70 **(1)** [3]
(correct figures only)

(d)

Sam Sumo account

September		$	September		$
1	Balance b/d	400.00 **(1)**	19	[Sales][returns in][Cr note 29]	16.50 **(1)**
7	[Sales][invoice][301]	56.50 **(1)**	28	Bank	392.00 **(1)**
12	[Sales][invoice][330]	217.00 **(1)**	30	Balance c/d	265.00 **(1)**
		673.50		*(OF if no aliens, may award) if account reversed)*	673.50

Sales account

September		$	September		$
			7	Sam Sumo	56.50 **(1)**
				not invoice or total sales	
			12	Sam Sumo	217.00 **(1)**
				not invoice or total sales	

Sales returns account

September		$	September	$
19	Sam Sumo	16.50 **(1)**		
	not total sales returns			

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Cash book – bank column

September		$	September	$
28	Sam Sumo	392.00 **(1)**		

(Marks are for detail, correct amount and correct Dr or Cr) [10]

(d) Pay balance within 21 days / by due date / within terms / on time [2]
(not pay more quickly, prompt payment, etc.)

[Total: 24]

5 **(a)** To spread the cost of the asset over its useful life [2]
(not to calculate profit or loss on sale etc.)
*(not **causes** of depreciation, but accept depletion, wear and tear, obsolescence and usage over time as **reasons** for need to depreciate.)*

(b) **(i)** $3200 **(1)** – $700 **(1)** = $2500 / 5 **(1)** = $500 **(1)OF**
(Note: if answer then goes on to give NBV, do not award calculation mark, so max 3)

(ii) Same amount – $500 **(2)** [OF only if agrees with **(b) (i)**]
(if answer then goes on to give NBV, no marks) [6]

(c) Martina
Balance Sheet at 30 September 2010 (extract)

	Cost	Provision for Depreciation	Net book value
	$	$	$
Non-current (fixed) assets			
Equipment (machine) **(1)**	3 200 **(1)**	1 000 **(1)**	2 200 **(1)OF**
(no mark if other asset classes included)		*(accept OF from **(b)**)*	

[4]

If answer laid out as two years separately, award only 1 mark for asset narrative and 1 mark for correct or OF final NBV

(d) Disposal of machinery account

October		$	October		$
15	Machinery/equipment *(accept cost, **not** price, balance)*	3 200 **(1)**	15	[Provision for] Depreciation *(OF from **(c)**)*	1 000 **(1)OF**
			15	Bank/cash *(**not** cash book)* *(**not** scrap/disposal)*	400 **(1)**
			15	Income statement *(accept profit/loss acc, loss)*	1 800 **(2)OF**
		3 200			3 200

[5]

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(e) Straight line [method] **(1)**
over three years (33⅓%) **(1)**,
to fully depreciate over that period **(1)**, *or* [3]

Reducing balance [method] **(1)** (**not** reducing method)
at rate >75% **(1)**
to fully depreciate over three years **(1)** [3]

Revaluation [method] **(1)** only

[Total: 20]

6 (a) Ricardo – Statement of affairs at 1 November 2009

	$	$
Non-current (fixed) assets		12 000 **(1)**
Current assets	110 000 **(1)**	
Less: current liabilities	26 000 **(1)**	
		84 000
Capital **(1)**		96 000 **(2)OF**

[6]

(mark for caption and amount, marks for capital amount if no aliens)
(award marks for acceptable layouts)

(b) Ricardo – Statement of affairs at 31 October 2010

	$	$
Non-current (fixed) assets		14 000 **(1)**
Current assets (95 500 **(1)** – 1 500 **(1)**)		94 000
(Provision for doubtful debts may be shown elsewhere)		
Less: current liabilities	24 000 **(1)**	
		70 000
Capital **(1)**		84 000 **(1)OF**

[6]

(mark for caption and amount, marks for capital amount if no aliens)
(award marks for acceptable layouts)

(c) Ricardo – capital account

2010		$	2009		$
Oct 31	Drawings	90 000 **(1)**	Nov 1	Balance b/fwd *(OF mark only if amount from **(a)**)*	96 000 **(1)OF**
31	Balance c/d	84 000 **(1)OF**	2010		
			Jan 1	Bank[new][capital][cash] *(not Ricardo)*	50 000 **(1)**
			Oct 31	Net profit [or OF loss] *(no aliens for OF mark)*	28 000 **(1)OF**
		174 000			174 000

***+(1)** for all correct dates*

[6]

Mark is for detail and amount. If account reversed, award P/L OF mark only.

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(d)

	Increase	Decrease	No change
Current assets	✓ **(1)**		
Long term liabilities	✓ **(1)**		
Revenue (sales)			✓ **(1)**
Working capital	✓ **(1)**		

[4]

[Total: 22]

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