Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

ACCOUNTING **0452/13**

Paper 1 **October/November 2016**

MARK SCHEME

Maximum Mark: 120

Published

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Glossary for Q1

(c) A +50 – 80 + 10 = $20 credit
B +50 – 80 – 10 = $40 credit
C +50 + 80 – 10 = $120 debit
D +50 + 80 + 10 = $140 debit

(f) A (60 000 – 6 000) x ½ + 4 000 – 18 000 = $13 000
B (60 000 – 6 000) x ½ = $27 000
C (60 000 – 6 000) x ½ + 2 000 = $29 000
D (60 000 – 6 000) x ½ + 4 000 = $31 000

(g) A 85 000 – 15 000 – 10 000 = $60 000
B 30 000 + 85 000 – 15 000 – 10 000 = $90 000
C 30 000 + 85 000 – 15 000 = $100 000
D 30 000 + 85 000 – 10 000 = $105 000

(i) A 6 100/90 000 × 365 = 25 days
B 6 100/84 000 × 365 = 27 days
C 7 400/90 000 × 365 = 31 days
D 7 400/84 000 × 365 = 33 days

Mark scheme

1 (a) D

(b) D

(c) B

(d) B

(e) B

(f) D

(g) C

(h) A

(i) B

(j) C

10 × **(1)** mark

[Total: 10]

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2 (a) A decrease in a non-current asset account requires a **credit (1)** entry.
An increase in a liability account requires a **credit (1)** entry.
An increase in an expense account requires a **debit (1)** entry. **[3]**

(b) Any reasonable example for **(1)** mark, e.g. bank overdraft, loan, trade payable **[1]**

(c)

debit entry	credit entry
income statement **(1)**	provision for depreciation **(1)**

[2]

(d) to simplify information in the ledger
to allow book-keeping duties to be shared
to reduce the number of entries in the ledger
as an aid for posting to the ledger
to gather and summarise information
to facilitate preparation of control accounts
to group similar transactions together
any one for **(1)** mark **[1]**

(e)

book of prime (original) entry	source document
cash book	cheque counterfoil/bank statement/till roll
petty cash book	receipt/voucher
sales journal	sales invoice
sales returns journal	credit note issued
purchases journal	purchase invoice
purchases returns journal	credit note received
general journal	invoice for non-current asset purchased on credit or other suitable document

Any **two** books for **(1)** mark each plus **two** related documents for **(1)** mark each. Allow other reasonable suggestions for document. **[4]**

(f) A trading business buys and sells goods. **(1)** A service business provides a service instead. **(1)** A trading business produces a trading account **(1)** and a service business does not.**(1)** A trading business holds inventory. **(1)** A service business holds no inventory. **(1)**

[max 2 for each type of business] **[max 3]**

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(g)

	trading business only	service business only	both
cost of sales	√ **(1)**		
gross profit	√ **(1)**		
discount allowed			√ **(1)**
profit for the year			√ **(1)**

[4]

(h)

	principle
the same accounting treatment should be applied to similar items at all times	consistency **(1)**
transactions should be expressed in monetary terms	money measurement **(1)**
financial statements should assume that a business will continue to operate indefinitely	going concern **(1)**

[3]

[Total: 21]

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3 (a) (8 × 1200) + (4 × 1000) = $13 600 **(1)** **[1]**

(b) one month's rent accrued/unpaid **(1)** **[1]**

(c)

Winston
Rent account

2015		$		2015		$	
Sept 4	Bank	6 000	}	Sept 1	Balance b/d	1 000	**(1)**
2016				2016			
Mar 1	Bank	7 400	}	Aug 31	Income statement	13 600	**(1)**
July 9	Bank	3 600	} **(1)**		Balance c/d	2 400	
		17 000				17 000	
Sept 1	Balance b/d	2 400	**(1of)**				

+**(1)** for dates **[5]**

(d)

Winston
Sales ledger
Jared account

2016		$		2016		$	
Aug 1	Balance b/d	300	**(1)**	Aug 6	Sales returns	40	**(1)**
Aug 3	Sales	480	**(1)**	Aug 9	Bank	291	**(1)**
Aug 18	Sales	320	**(1)**		Discount allowed	9	**(1)**
				Aug 31	Balance c/d	760	
		1 100				1 100	
Sept 1	Balance b/d	760	**(1of)**				

+**(1)** for dates **[8]**

(e)

account debited	account credited
Jared (purchases ledger account) **(1)**	Jared (sales ledger account) **(1)**

[2]

(f) work in progress **(1)** **[1]**

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(g)

	manufacturing account	income statement
purchases of raw materials	√	
salesman's wages		√
carriage outwards		√
purchases of finished goods		√
machine operator's wages	√	
factory supervisor's salary	√	
inventory of raw materials	√	
carriage inwards	√	
inventory of finished goods		√

Any **two** correct for **(1)** mark **[4]**

[Total: 22]

4 **(a)** to access additional capital
for additional expertise/more ideas
to share responsibilities/cover sickness and holidays
to shares losses/risks

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

(b) to avoid disagreements in the future **[1]**

(c) capital contribution by each partner
profit sharing ratio
interest on capital
interest on drawings
partners' salaries
interest on partners' loans
Any **two** for **(1)** mark each **[2]**

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(d)

debit entry	credit entry
Drawings Rajiv **(1)**	Bank **(1)**

[2]

(e)

debit entry	credit entry
Current account Rajiv **(1)**	Drawings Rajiv **(1)**

[2]

(f)

Friedrich and Graham
Trial Balance at 31 July 2016

	$	$	
Bank	4 800		
Cash	200		
Fees		81 000	**(1)**
Rent	12 000		**}**
Wages	6 800		**} (1)**
Administration costs	19 500		**}**
Drawings – Friedrich	25 000		**}**
– Graham	16 100		**} (1)**
Equipment	24 200		**}**
Provision for depreciation		6 500	**} (1)**
Trade receivables	17 400		**}**
Other payables		1 100	**} (1)**
Capital account – Friedrich		20 000	**}**
– Graham		15 000	**} (1)**
Current account – Friedrich	900		**(1of)**
– Graham		3 300	
	126 900	126 900	**(1)**

[8]

[Total: 16]

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5 (a)

Boris
Total trade receivables account

2015		$		2016		$	
Jul 1	Balance b/d	300	**(1)**	Jun 30	Bank/cash/cash book	6 800	**(1)**
2016					Bad debts	250	**(1)**
Jun 30	Sales	7 770	**(1)**		Sales returns	480	**(1)**
					Balance c/d	540	**(1of)**
		8 070				8 070	
2016							
Jul 1	Balance b/d	540					

[6]

(b)

Total trade payables account

2016		$		2015		$	
Jun 30	Bank/cash/cash book	4 320	**(1)**	Jul 1	Balance b/d	710	**(1)**
	Discount received	210	**(1of)**	2016			
	Balance c/d	680	**(1)**	Jun 30	Purchases	4 500	**(1)**
		5 210				5 210	
				2016			
				Jul 1	Balance b/d	680	

[5]

(c)

Boris
Statement of Financial Position at 30 June 2016

	$ Cost	$ Acc dep		$ NBV	
Non-current assets	7 100	3 230	**(1)**	3 870	**(1of)**
Current assets					
Inventory				700	**(1)**
Trade receivables				540	**(1of)**
				1 240	
Total assets				5 110	
Capital					
At 1 July 2015				5 010	**(1)**
Profit for the year				1 070	**(1of)**
Drawings				(2 050)	**(1)**
				4 030	**(1of)**
Current liabilities					
Trade payables				680	**(1)**
Other payables				100	**(1)**
Bank				300	**(1)**
				1 080	
Total liabilities				5 110	

[11]

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(d) Drawings are high/too high **(1)**
Drawings are almost twice profit **(1)**
Drawings are about half the capital **(1)**
Excessive drawings are causing a shortage of cash in the business **(1)**
Funds should be left in the business so that it can function or grow **(1)**
Profits need to be higher to finance the level of drawings **(1)**
Drawings need to be lower to enable the business to continue/may have financial problems in the future **(1)**
Answers to be based on OF profit **[max 2]**

[Total: 24]

6 (a)

Chess Club
Income Statement for the year ended 31 December 2015

	$		$	
Shop sales			6 700	**(1)**
Inventory at 1 January 2015	580	*		
Purchases				
5700 **(1)** + 350 **(1)** – 170 **(1)**	5 880			
	6 460			
Inventory at 31 December 2015	310	* **(1)** both		
Cost of sales			6 150	
			550	
Wages			1 200	**(1)**
Loss for the year			650	**(1of)**

[7]

(b)

Chess Club
Income and Expenditure Account for the year ended 31 December 2015

	$		$	
Subscriptions				
17 700 + 950 **(1)** – 550 **(1)**			18 100	
Less expenditure				
Loss for the year	650	**(1of)**		
Depreciation of equipment **(1)**				
3100 + 3800 – 5150	1 750	**(1)**		
Rent	4 800	}		
Wages	8 400	} **(1)**		
Sundry expenses	4 300	}		
			19 900	
Deficit			1 800	**(1of)**

[7]

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(c) $\frac{550}{6150}$ **(1of)** $\times \frac{100}{1} = 8.94\%$ **(1of)** **[3]**

(d)

Chess Club
Statement of revised profit

	$		$	
Revenue			8 610	**(1of)**
Cost of sales			6 150	**(1of)**
Gross profit			2 460	**(1of)**
Commission	1 722	**(1of)**		
Computer costs	500	**(1)**		
			2 222	
Profit for the year			238	**(1of)**

OR

	$		$	
Increase in revenue/gross profit	1 910	**(1of)**		
Original wages	1 200	**(1)**	3 110	
Commission	1 722	**(1of)**		
Computer costs	500	**(1)**		
Less original loss	650	**(1of)**	2 872	
Profit for the year			238	**(1of)**

[6]

(e) Increase subscription rate
Increase membership
Increase selling price in shop
Reduce cost of sales in shop
Reduce expenses in shop
Sell off unused equipment
Obtain a loan
Start fundraising
Seek donations
Sponsorship
Or other acceptable suggestions
Any **two** reasonable suggestions for **(1)** mark each **[2]**

(f) Members have not invested capital in the organisation **(1)** and therefore cannot earn a return on their investment **(1).** Any surplus is retained in the organisation **(1).** **[max 2]**

[Total: 27]

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