Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

ACCOUNTING **0452/11**

Paper 1 **October/November 2017**

MARK SCHEME

Maximum Mark: 120

Published

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

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)</td><td>The amount owed by the business to the owner.
The funds put into the business/contributed by the owner (plus profits net of drawings).
Any one for (1) mark</td><td>1</td></tr>
<tr><td>2(b)</td><td><table>
<tr><td></td><td>Principle</td></tr>
<tr><td>A trader withdraws goods for his own use and records this in the drawings account.</td><td>Business entity (1)</td></tr>
<tr><td>A book-keeper writes off debts which will not be paid to the business.</td><td>Prudence/accruals (matching) (1)</td></tr>
<tr><td>An accountant does not include staff morale as an asset in the statement of financial position.</td><td>Money measurement (1)</td></tr>
<tr><td>A business uses the double entry system of book-keeping to record transactions.</td><td>Duality (1)</td></tr>
</table></td><td>4</td></tr>
<tr><td>2(c)</td><td>Nominal (general) ledger</td><td>1</td></tr>
<tr><td>2(d)</td><td>(Limited) company</td><td>1</td></tr>
<tr><td>2(e)</td><td>Items which a business owns or which are owed to the business are known as ASSETS.</td><td>1</td></tr>
<tr><td>2(f)</td><td><table>
<tr><td>document</td><td>reason for issue</td><td>name of person issuing document</td></tr>
<tr><td>invoice</td><td>to record goods sold on credit</td><td>Jake</td></tr>
<tr><td>debit note</td><td>to ask for reduction in invoice (1)</td><td>Rashida (1)</td></tr>
<tr><td>credit note</td><td>to accept request for reduction in invoice (1)</td><td>Jake (1)</td></tr>
<tr><td>statement of account</td><td>to summarise transactions for the month (1)</td><td>Jake (1)</td></tr>
</table></td><td>6</td></tr>
</table>

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Question	Answer	Marks
2(g)		**3**

	True or False
Work in progress may appear in Jake's manufacturing account.	True **(1)**
Prime cost appears in Jake's income statement.	False **(1)**
Jake's business is a service business.	False **(1)**

Question	Answer	Marks
3(a)	A bank statement is a copy of the customer's account as it appears in the books of the bank.	**1**
3(b)	Kang-Dae Cash book (bank columns only) 2017 | | $ | | 2017 | | $ | June 1 | Balance b/d | 1 310 | **(1)** | June 1 | Bank charges | 60 | **(1)** | Nigel | 540 | **(1)** | | Rent | 1 000 | **(1)** | Insurance (error) | 320 | **(1)** | | Electricity | 400 | **(1)** | | | | | Balance c/d | 710 | | | 2 170 | | | | 2 170 | June 1 | Balance b/d | 710 | **(1)OF** |				**7**
3(c)	Kang-Dae Bank reconciliation statement at 1 June 2017 *$* Balance per cash book **(1)** 710 **(1)OF** Add unpresented cheque 700 **(1)** 1 410 Less uncredited deposit 620 **(1)** Balance per bank statement **(1)** 790 **(1)** OR Kang-Dae Bank reconciliation statement at 1 June 2017 $ Balance per bank statement **(1)** 790 **(1)** Add uncredited deposit 620 **(1)** 1 410 Less unpresented cheque 700 **(1)** Balance per cash book **(1)** 710 **(1)OF**	**6**

Question	Answer	Marks
3(d)	A loan is of fixed amount but an overdraft is of varying amount. A loan is for a fixed term but an overdraft may be paid back at any time. A loan may require security but an overdraft may be unsecured. A loan may have a fixed rate of interest but an overdraft will have a variable rate. Any two for **(1)** each	**2**
3(e)	Non-current liabilities	**1**

Question	Answer	Marks
4(a)	$\frac{(17\,040 - 12\,780)}{42\,600}$ **(1)** **(1)** $\times 100 = 10\%$ **(1)OF**	**3**
4(b)	1 May 2015: Cash book **(1)** 1 August 2016: 1 Nominal (general) journal **(1)** 2 Cash book **(1)**	**3**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4(c)</td><td>
<table>
<tr><td></td><td>workings</td><td>$</td></tr>
<tr><td>fixtures and fittings at cost on 31 December 2015</td><td>42 600 + 12 000</td><td>54 600 (1)</td></tr>
<tr><td>fixtures and fittings at cost on 31 December 2016</td><td>54 600 (OF) – 10 000</td><td>44 600 (1)OF</td></tr>
<tr><td>depreciation charge for the year ended 31 December 2015</td><td>(54 600 (OF) × 10%) (1)OF</td><td>5 460 (1)OF</td></tr>
<tr><td>accumulated depreciation at 31 December 2015</td><td>17 040 + 5 460 (1)OF</td><td>22 500 (1)OF</td></tr>
<tr><td>depreciation charge for the year ended 31 December 2016</td><td>(44 600 (OF) × 10%) (1)OF</td><td>4 460 (1)OF</td></tr>
<tr><td>accumulated depreciation at 31 December 2016</td><td>22 500 (1)OF + 4 460 (1)OF – 4 000 (1)</td><td>22 960 (1)OF</td></tr>
</table>
</td><td>12</td></tr>
<tr><td>4(d)</td><td>
<table>
<tr><td>debit entry</td><td>credit entry</td></tr>
<tr><td>income statement (1)</td><td>provision for depreciation of fixtures and fittings account (1)</td></tr>
</table>
</td><td>2</td></tr>
<tr><td>4(e)</td><td>
<table>
<tr><td>debit entry</td><td>credit entry</td></tr>
<tr><td>provision for depreciation of fixtures and fittings account (1)</td><td>disposal account (1)</td></tr>
</table>
</td><td>2</td></tr>
<tr><td>4(f)</td><td>Reducing (diminishing) balance method (1)
Annual percentage rate (1) is applied to the net book value (1) of the asset.
OR
Revaluation method (1)
The difference between the opening and closing valuations is taken (1) and adjusted for any purchases or disposals (1)</td><td>3</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4(g)</td><td>
<table>
<tr><td></td><td>capital expenditure</td><td>revenue expenditure</td></tr>
<tr><td>cost of vehicle</td><td>✓ (1)</td><td></td></tr>
<tr><td>number plates</td><td>✓ (1)</td><td></td></tr>
<tr><td>fuel</td><td></td><td>✓ (1)</td></tr>
<tr><td>insurance of vehicle</td><td></td><td>✓ (1)</td></tr>
</table>
</td><td>4</td></tr>
<tr><td>4(h)</td><td>Capital introduced
Receipt of loan
Proceeds of sale of non-current asset
Any one for (1) mark</td><td>1</td></tr>
</table>

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5(a) **4**

Satish
Suspense account

2017		$		2017		$	
Jun 30	Drawings	2 000	**(1)**	Jun 30	Balance b/d	3 900	**(1)**
	Capital	2 000	**(1)**		Purchases	100	**(1)**
		4 000				4 000	

5(b)(i) **8**

Satish
Statement of correction of gross profit for the year ended 30 June 2017

	No Effect	Increase $	Decrease $	$
Draft gross profit				*20 000*
Error 1		400 **(2)**		
Error 2			550 **(2)**	
Error 3			100 **(2)**	
Error 4	✓ **(1)**			
		400	650	(250)
Corrected gross profit				19 750 **(1)OF**

*(2 marks) = (1) for right column, and second mark for correct amount

5(b)(ii) **5**

	$		$	
Corrected gross profit			19 750	**(1)OF**
Rent	6 000			
Wages	2 800			
Other operating expenses	4 180	**(2)***		
Depreciation	1 500	**(1)**	14 480	
Profit for the year			5 270	**(1)OF**

*2 marks for all three components, 1 mark for two components

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Question	Answer	Marks
5(c)	Satish Statement of Financial Position at 30 June 2017 Non-current assets: Cost $ / Accumulated depreciation $ / Net book value $ Fixtures and fittings: 12 000 **(1)** / 4 500 **(1)** / 7 500 Current assets Inventory (4 620 – 550) 4 070 **(1)** Trade receivables (3 100 + 400) 3 500 **(1)** 7 570 Total assets 15 070 Capital at 1 July 2016 14 200 **(1)** Capital introduced 2 000 **(1)** Profit 5 270 **(1)OF** 21 470 Drawings 8 900 **(1)** Capital at 30 June 2017 12 570 Current liabilities Trade payables 1 900 **(1)** Bank 600 **(1)** Total liabilities 2 500 15 070 Accept alternative presentation	**10**

Question	Answer	Marks
6(a)	A business in which two or more people work together as owners.	**1**
6(b)	Amina and Samara Appropriation Account for the year ended 30 June 2017 $ $ Profit for the year 17 500 Interest on capital – Amina 5 500 **(1)** – Samara 2 000 **(1)** 7 500 10 000 Share of profit – Amina 6 000 **(1)OF** – Samara 4 000 **(1)OF** 10 000	**4**

Question	Answer	Marks
6(c)	Amina and Samara Capital accounts Date / Details / Amina $ / Samara $ / Date / Details / Amina $ / Samara $ 2017 Jun 30 / Balance c/d / 60 000 / 20 000 / 2016 Jul 1 / Balance b/d / 50 000 / 20 000 **(1)** 2017 Jan 1 **(1)** Cash / 10 000 60 000 / 20 000 / 60 000 / 20 000 2017 Jul 1 / Balance b/d / 60 000 / 20 000 **(1)** **OF**	**3**
	Current accounts Date / Details / Amina $ / Samara $ / Date / Details / Amina $ / Samara $ 2017 Jun 30 / Drawings / 8 000 / 12 000 **(1)** / 2016 Jul 1 / Balance b/d / 4 000 / 3 000 **(1)** Balance c/d / 7 500 / 2017 Jun 30 / Interest on capital / 5 500 / 2 000 **(1of)** Share of profit / 6 000 / 4 000 **(1of)** Balance c/d / 3 000 15 500 / 12 000 / 15 500 / 12 000 Jul 1 / Balance b/d / 3 000 / Jul 1 / Balance b/d / 7 500 **(1of)** **Where appropriate mark is for both entries**	**5**
6(d)	Profit for the year would be lower by the amount of the loan interest. **(1)** Interest on capital would be lower by the interest on the additional capital. **(1)** Shares of profit might be higher or lower depending on rate of loan interest. **(1)** **Max 2**	**2**

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Question	Answer	Marks
6(e)	Samara has a debit balance on her current account **(1)** which means that she owes funds to the business. **(1)** Samara's drawings are greater than her total allocation of profit, **(1)** which means she is reducing the capital of the business. **(1)** The partnership agreement could be amended **(1)** to introduce a partner's salary/interest on drawings/change in the profit sharing ratio. **(1)** Amina has had to introduce additional capital **(1)** in order to run the day to day business/cover what Samara has taken as drawings. **(1)** One mark for basic point, plus one for development to **max 4**	**4**

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