Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

ACCOUNTING **0452/11**

Paper 1 **October/November 2019**

MARK SCHEME

Maximum Mark: 120

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

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Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

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GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

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

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Question	Answer	Marks
	Glossary (d) A 1/3 × 4200 = 1400 – 22% = 1092 B 1400 – 20% = 1120 C 1400 – 2% = 1372 D 1/3 × 4200 = 1400 (g) C of S = 34 GP = 10 P for yr. = 4 A 4/44 ×100 = 9.09 B 4/34 × 100 = 11.76 C 10/44 × 100 = 22.73 D 10/34 × 100 = 29.41 (j) A book value after 5 years (18 000 – (5 × 2700)) = 4500 B book value after 4 years (18 000 – (4 × 2700)) = 7200 C dep for 4 years (4 × 2700) = 10 800 D dep for 5 years (5 × 2700) = 13 500	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)</td><td>(i) $59 (1) (ii) $826 (1) (iii) $3304 (1)</td><td>3</td></tr>
<tr><td>2(b)</td><td>Kadir</td><td>1</td></tr>
<tr><td>2(c)</td><td>Goods returned not as ordered
Goods returned as damaged/faulty
Or other suitable reason – excluding overcharge
Any 1 reason (1)</td><td>1</td></tr>
<tr><td>2(d)</td><td>The amount on the credit note must equal the amount originally charged for those goods, so trade discount must be deducted from the list price. (1)
Trade discount was deducted on invoice or when purchased. (1)</td><td>1</td></tr>
<tr><td>2(e)</td><td><table><tr><td>book of prime (original) entry used by Aisha</td><td>book of prime (original) entry used by Kadir</td></tr><tr><td>purchases returns journal (1)</td><td>sales returns journal (1)</td></tr></table></td><td>2</td></tr>
<tr><td>2(f)</td><td><table><tr><td>document</td><td>book of prime (original) entry used by Aisha</td></tr><tr><td>invoice</td><td>purchases journal (1)</td></tr><tr><td>debit note</td><td>no entry (1)</td></tr><tr><td>cheque</td><td>cash book (1)</td></tr><tr><td>statement of account</td><td>no entry (1)</td></tr></table></td><td>4</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(g)</td><td>Aisha
Kadir account

<table>
<tr><td>Date
2019
Sept 18
27

30</td><td>Details

Returns (1)OF
Bank (1)
Discount (1)
Balance c/d</td><td>$

3304
3332
68
5656
12 360</td><td>Date
2019
Sept 1
4

2019
Oct 1</td><td>Details

Balance b/d (1)
Purchases (1)

Balance b/d (1)OF</td><td>$

3400
8960

12 360

5656</td></tr>
</table>
(1) Dates</td><td>7</td></tr>
<tr><td>2(h)</td><td>Purchases (ledger) or trade payables</td><td>1</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(a)</td><td>They can assist in locating errors
They are proof of the arithmetical accuracy of the ledgers which they control
They provide instant totals of the trade payables and the trade receivables
They enable a draft statement of financial position to be prepared quickly or financial statements
They can help to reduce fraud
They provide a summary of the transactions affecting the trade payables and the trade receivables
Any 2 advantages (1) each</td><td>2</td></tr>
<tr><td>3(b)</td><td><table><tr><td></td><td>book of prime (original) entry</td></tr><tr><td>purchases returns</td><td>purchases returns journal (1)</td></tr><tr><td>contra entry</td><td>general or nominal journal (1)</td></tr><tr><td>discount received</td><td>cash book (1)</td></tr><tr><td>interest charged on overdue account</td><td>general or nominal journal (1)</td></tr></table></td><td>4</td></tr>
<tr><td>3(c)</td><td>Meaning
A contra entry is an entry which appears in the purchases ledger control account (debit side) and also in the sales ledger control account (credit side) (1)
Reason
The entry is made when a sales ledger account is set off against a purchases ledger account of the same person/business (1)
Same person is the buyer and seller (1)
Any 2 reasons (1) each</td><td>2</td></tr>
<tr><td>3(d)</td><td>Overpayment made to credit supplier
Returned goods after paying the balance of the account
Made payment without deducting the cash discount to which entitled
Paid credit supplier in advance/prepayment/paid deposit
Contra entry larger than the balance owed
Any 2 reasons (1) each</td><td>2</td></tr>
</table>

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Question	Answer	Marks
3(e)	Timothy Sales ledger control account account	**9**

Date	Details	$	Date	Details	$
2019			*2019*		
Oct 1	*Balance b/d*	*6530*	*Oct 1*	*Balance b/d*	*110*
31	Sales **(1)**	7860	31	Bank/cash **(1)**	5782
	Interest **(1)**	15		Discount **(1)**	118
	Balance c/d	80		Returns **(1)**	285
				Bad debts **(1)**	260
				Contra(PLCA) **(1)**	300
				Balance c/d	7630
		14 485			14 485
2019			2019		
Nov 1	Balance b/d **(1)OF**	7630	Nov 1	Balance b/d **(1)**	80

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4(a)</td><td>Abiola
General Journal

<table>
<tr><th>Date
2017</th><th>Details</th><th>Debit
$</th><th>Credit
$</th></tr>
<tr><td>Sept 1</td><td>Inventory }(1)
Fixtures and fittings }
Bank (1)
Loan (1)
Capital (1)

Assets, liabilities and capital at this date or balances on assets, liabilities and capital or record the start of the business (1)</td><td>6600
11 750
31 650</td><td>

10 000
40 000</td></tr>
</table></td><td>5</td></tr>
<tr><td>4(b)</td><td>To explain the reasons for the entries which are to be made in the ledger (1)
Journal entries sometimes involve ‘out of the ordinary’ transactions (1)
It is impossible to remember the reason for every entry (1)
Transaction to be understood (1)
Any 2 reasons (1) each</td><td>2</td></tr>
</table>

Question	Answer	Marks
4(c)	Abiola General Journal Date 2018 | Details | Debit $ | Credit $ *Mar 1* | Motor vehicles **(1)** | 12 000 | Capital **(1)** | | 12 000 *Mar 1* | Drawings **(1)** | 450 | Purchases **(1)** | | 450	**4**
4(d)	Abiola Rent payable account Date 2018 | Details | $ | Date 2018 | Details | $ Sept 2 | Bank **}** | 3000 | Sept 1 | Balance b/d **(1)** | 500 2019 | **}** | | 2019 | | Feb 3 | Bank **}(1)** | 3000 | Aug 31 | Income Aug 6 | Bank **}** | 1500 | | statement **(1)OF** | 6000 | | | | | Balance c/d | 1000 | | 7500 | | | 7500 2019 | | | | | | Sept 1 | Balance b/d **(1)** | 1000 | | | | **(1) Dates**	**5**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4(e)</td><td>Only the rent relating to the current year or correct amount is transferred to the income statement (1)
This ensures that the profit for the year is shown at a more accurate figure (1)
This ensures that the expenses for the year are matched against the revenue for the year (1)
Accrued rent payable at the start of the year and prepaid at the end are not included (1)
Any 2 reasons (1) each</td><td>2</td></tr>
<tr><td>4(f)</td><td>Abiola
Commission receivable account

<table>
<tr><th>Date</th><th>Details</th><th>$</th><th>Date</th><th>Details</th><th>$</th></tr>
<tr><td>2018</td><td></td><td></td><td>2018</td><td></td><td></td></tr>
<tr><td>Sept 1</td><td>Balance b/d (1)</td><td>350</td><td>Sept 30</td><td>Bank }</td><td>350</td></tr>
<tr><td>2019</td><td></td><td></td><td>2019</td><td>}</td><td></td></tr>
<tr><td>Aug 31</td><td>Income</td><td></td><td>Jan 31</td><td>Bank }(1)</td><td>425</td></tr>
<tr><td></td><td>statement (1)OF</td><td>1600</td><td>Apl 30</td><td>Bank }</td><td>395</td></tr>
<tr><td></td><td></td><td></td><td>July 31</td><td>Bank }</td><td>470</td></tr>
<tr><td></td><td></td><td></td><td>Aug 31</td><td>Balance c/d</td><td>310</td></tr>
<tr><td></td><td></td><td>1950</td><td></td><td></td><td>1950</td></tr>
<tr><td>2019</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Sept 1</td><td>Balance b/d (1)</td><td>310</td><td></td><td></td><td></td></tr>
</table>
(1) Dates</td><td>5</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>Amounts paid by members of a club/society to use the facilities provided by that club/society</td><td>1</td></tr>
<tr><td>5(b)</td><td>
<table>
<tr><td></td><td>$</td></tr>
<tr><td>Subscriptions due for the year (50 × $85)</td><td>4250 (1)</td></tr>
<tr><td>Add amount prepaid for following year (10 × $85)</td><td>850 (1)</td></tr>
<tr><td></td><td>5100</td></tr>
<tr><td>Less amount prepaid at start of year (14 × $85)</td><td>1190 (1)</td></tr>
<tr><td></td><td>3910</td></tr>
<tr><td>Less amount unpaid at end of year (22 × $85)</td><td>1870 (1)</td></tr>
<tr><td>Subscriptions received during the year</td><td>2040 (1)OF</td></tr>
</table>
Alternative presentation

KW Club
Subscriptions account
<table>
<tr><th>Date</th><th>Details</th><th>$</th><th>Date</th><th>Details</th><th>$</th></tr>
<tr><td>2019
Sept 30</td><td>Income and expenditure (1)
Balance c/d (1)</td><td>
4250
850
5100</td><td>2018
Oct 1
2019
Sept 30</td><td>Balance b/d (1)

Bank/cash (1)OF
Balance c/d (1)</td><td>
1190

2040
1870
5100</td></tr>
</table>
</td><td>5</td></tr>
<tr><td>5(c)</td><td>If all members pay the bank balance should improve (1) by $1000 or $4250 to $5250 (1)
Should reduce deficit/increase surplus or increase income (1) by $1000 or $4250 to $5250 (1)
May mean that more members are late in paying their subscription or subscriptions accrued increases (1) already have 22 members who are in arrears (1)
May mean that members leave the club (1) if they cannot afford the extra amount or if can find a similar cheaper club (1)
Or other acceptable comments
Any 4 comments</td><td>4</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(d)</td><td>Possible answers include:

<table>
<tr><th>Income and expenditure account</th><th>Receipts and payments account</th></tr>
<tr><td>Equivalent to income statement</td><td>Summary of a cash book</td></tr>
<tr><td>Used to calculate surplus or deficit</td><td>Shows the bank balance</td></tr>
<tr><td>Items adjusted for accruals and payments</td><td>Requires payments and receipts irrespective of period</td></tr>
<tr><td>Includes only revenue items</td><td>Includes capital (non-current assets) and revenue items</td></tr>
<tr><td>Includes non-cash items eg depreciation</td><td>Includes all cash items not depreciation</td></tr>
</table>

Max 4 marks (1 mark for each relevant statement)
Accept other valid points.</td><td>4</td></tr>
<tr><td>5(e)</td><td>
<table>
<tr><th rowspan="2">error</th><th colspan="3">effect of effort on the deficit</th></tr>
<tr><th>overstated</th><th>understated</th><th>no effect</th></tr>
<tr><td>the total of the income from a sports competition was understated</td><td>✓(1)</td><td></td><td></td></tr>
<tr><td>no entry had been made for bank charges</td><td></td><td>✓(1)</td><td></td></tr>
<tr><td>proceeds of sale of club equipment were included in the income</td><td></td><td>✓(1)</td><td></td></tr>
<tr><td>no adjustment was made of club shop wages accrued at the year-end</td><td></td><td>✓(1)</td><td></td></tr>
<tr><td>shop rent was charged to the income and expenditure account instead of the shop income statement</td><td></td><td></td><td>✓(1)</td></tr>
</table>
</td><td>5</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(a)</td><td>Amrit
Income Statement for the year ended 31 July 2019

<table>
<tr><td></td><td>$</td><td>$</td></tr>
<tr><td>Fees from clients</td><td></td><td>58 800 (1)</td></tr>
<tr><td>Rent receivable</td><td></td><td>3000 (1)</td></tr>
<tr><td></td><td></td><td>61 800</td></tr>
<tr><td>Bad debts 80 (1) + 150 (1)</td><td>230</td><td></td></tr>
<tr><td>Provision for doubtful debts 135 (1) – 100 (1)</td><td>35</td><td></td></tr>
<tr><td>Insurance 2100 (1) – 300 (1)</td><td>1800</td><td></td></tr>
<tr><td>Wages 38 000 (1) + 1500 (1)</td><td>39 500</td><td></td></tr>
<tr><td>Operating expenses</td><td>6500 (1)</td><td></td></tr>
<tr><td>Depreciation Office equipment (20% × 16 000 – 3200)</td><td>2560 (1)</td><td>50 625</td></tr>
<tr><td>Profit from operations</td><td></td><td>11 175</td></tr>
<tr><td>Loan interest 5% × 15 000</td><td></td><td>750 (1)</td></tr>
<tr><td>Profit for the year</td><td></td><td>10 425 (1)OF</td></tr>
</table></td><td>14</td></tr>
<tr><td>6(b)</td><td>
<table>
<tr><td></td><td>increase</td><td>decrease</td><td>no effect</td></tr>
<tr><td>extend the loan for a further 2 years</td><td>✓(1)</td><td></td><td></td></tr>
<tr><td>ask the bank to extend the overdraft facility</td><td></td><td></td><td>✓(1)</td></tr>
<tr><td>purchase new office equipment on credit</td><td></td><td>✓(1)</td><td></td></tr>
</table></td><td>3</td></tr>
<tr><td>6(c)</td><td>Higher profit
Lower capital employed/lower capital/lower long term liabilities
Any 2 reasons (1) each</td><td>2</td></tr>
</table>

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Question	Answer	Marks
6(d)	Share losses Share responsibilities Share or spread risks Share decision-making Additional finance or capital may be available Additional skills and experience are available **Any 2 advantages (1) each**	**2**
6(e)	Share profits Decisions must be recognised by all partners Decisions may take longer to implement One partner's actions can bind the other partners Disagreements can occur All partners are responsible for the debts of the business Other partner takes too much drawings Do not have full control **Any 2 disadvantages (1) each**	**2**

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Question	Answer	Marks
6(f)	Amrit and Neena Estimated Profit and Loss Appropriation Account for the year ending 31 July 2019	**6**

		$	$
Estimated profit for the year			*15 500*
Interest on drawings	Amrit	210 **(1)**	
	Neena	150 **(1)**	360
			15 860
Interest on capital	Amrit	3200 **(1)**	
	Neena	2400 **(1)**	
		5600	
Partnership salary	Amrit	6000	11 600
			4260
Share of profit	Amrit	2556 **(1)OF**	
	Neena	1704 **(1)OF**	4260