Cambridge Assessment International Education

Cambridge IGCSE™

ACCOUNTING **0452/22**

Paper 2 **October/November 2021**

MARK SCHEME

Maximum Mark: 100

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.

Cambridge International is publishing the mark schemes for the October/November 2021 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

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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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Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

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3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

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Question	Answer	Marks
1(a)		**14**

Ayesha

Sales ledger control account

Date	Details		$	Date	Details		$
2021				2021			
Aug 1	Balance b/d		9 800	Aug 1	Balance b/d		420
31	Sales	**(1)**	88 850	31	Bank	**(1)**	82 100
	Interest	**(1)**	90		Discount allowed	**(1)**	900
	Balance c/d		350		Irrecoverable debts	**(1)**	300
					Sales returns	**(1)**	2 400
					Contra	**(1)**	2 920
					Balance c/d		10 050
			99 090				99 090
2021				2021			
Sep 1	Balance b/d	**(1)OF**	10 050	Sep 1	Balance b/d	**(1)**	350

Purchases ledger control account

Date	Details		$	Date	Details		$
2021				2021			
Aug 31	Bank	**(1)**	50 600	Aug 1	Balance b/d		7 700
	Discount received	**(1)**	600	31	Purchases	**(1)**	55 400
	Contra	**(1)**	2 920				
	Balance c/d		8 980				
			63 100				63 100
				2021			
				Sep 1	Balance b/d	**(1)OF**	8 980

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(b)</td><td>
<table>
<tr><th>Item</th><th>Book of prime entry</th></tr>
<tr><td>Returns</td><td>Sales returns journal (1)</td></tr>
<tr><td>Discount allowed</td><td>Cash book (1)</td></tr>
<tr><td>Interest charged to customer on overdue account</td><td>General journal/Journal (1)</td></tr>
<tr><td>Contra entry</td><td>General journal/Journal (1)</td></tr>
</table>
</td><td>4</td></tr>
<tr><td>1(c)</td><td>Overpayment by credit customer (1)
Credit customer returned goods after settling the account (1)
Credit customer paid for goods in advance (1)
Payment by credit customer before cash discount was deducted (1)

Max (2)</td><td>2</td></tr>
</table>

Question	Answer			Marks
2(a)		$	$	2
	Revenue		160 000	
	Cost of sales			
	Opening inventory	11 000		
	Purchases	109 000		
		120 000		
	Closing inventory	8 000		
			112 000	
	Gross profit		48 000	**(1)**
	Operating expenses		35 200	
	Profit for the year		12 800	**(1)OF**
	Accept other forms of presentation			

Question	Answer	Marks
2(b)(i)	Gross margin $\frac{48\,000}{160\,000} \times \frac{100}{1}$ **(1) OF whole formula** = 30% **(1) OF**	**2**
2(b)(ii)	Increase selling price / reduce trade discount to customers **(1)** Obtain cheaper supplies / obtain higher trade discount from suppliers **(1)** Purchase lower quality goods **(1)** Change proportion of different types of goods sold/sell more goods with higher profit margin**(1)** **Accept other valid points** **Max 2**	**2**
2(c)	Trade receivables turnover $\frac{22\,600}{160\,000} \times \frac{365}{1}$ **(1) whole formula** = 52 days **(1)**	**2**
2(d)	**Advantages** Sales may increase **(1)** May attract more customers **(1)** Profit may increase **(1)** May improve relationship with customers **(1)** **Disadvantages** Delays the receipt of money **(1)** Additional working capital may be required **(1)** May be an increase in irrecoverable debts **(1)** May be an increase in administration costs **(1)** **Accept other valid points** **Max (4)** **Recommendation (1)**	**5**
2(e)	Trade payables turnover $\frac{11\,600}{109\,000} \times \frac{365}{1}$ **(1) whole formula** = 39 days **(1)**	**2**

Question	Answer	Marks
2(f)	Reduction in cost of sales **(1)** If goods can be sold the gross profit will increase **(1)** May reduce selling price to increase sales revenue **(1)** Could increase range of products to sell **(1)** **Accept other valid points** Consider if the additional goods can be sold **(1)** Increase in quantity / value of inventory **(1)** Increased cost of storage **(1)** Additional working capital may be required **(1)** Increase in amount payable to suppliers each month **(1)** **Accept other valid points** **Max (4)** **Recommendation (1)**	**5**

Question	Answer	Marks
3(a)	KA Limited Manufacturing Account for the year ended 31 July 2021	**10**

	$		$	
Cost of material consumed				
Opening inventory raw material			5 820	
Purchases raw material			34 200	
Carriage inwards			410	**(1)**
			40 430	
Closing inventory raw material			6 030	
			34 400	**(1)**
Direct wages			67 200	**(1)**
Prime cost			101 600	**(1) OF**
Factory overheads				
Indirect factory wages	24 000			
Factory general overheads (16 400 + 230)	16 630	**(1)**		
Rates (5300 – 500) × 75%	3 600	**(1)**		
Depreciation of factory machinery (36 000 × 20%)	7 200	**(1)**		
			51 430	
			153 030	**(1) OF**
Add opening work in progress			1 750	*
			154 780	
Less closing work in progress			2 780	**(1)* for both WIP**
Cost of production			152 000	**(1) OF**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(b)</td><td>KA Limited
Income Statement (Trading section) for the year ended 31 July 2021

<table>
<tr><td></td><td>$</td><td></td><td>$</td><td></td></tr>
<tr><td>Revenue</td><td></td><td></td><td>223 000</td><td></td></tr>
<tr><td>Less Cost of sales</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Opening inventory finished goods</td><td>12 360</td><td>*</td><td></td><td></td></tr>
<tr><td>Cost of production</td><td>152 000</td><td>(1) OF</td><td></td><td></td></tr>
<tr><td>Purchases of finished goods</td><td>3 900</td><td>}</td><td></td><td></td></tr>
<tr><td>Carriage inwards</td><td>80</td><td>} (1)</td><td></td><td></td></tr>
<tr><td></td><td>168 340</td><td></td><td></td><td></td></tr>
<tr><td>Less Closing inventory finished goods</td><td>10 340</td><td>(1) * both</td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td>158 000</td><td></td></tr>
<tr><td>Gross profit</td><td></td><td></td><td>65 000</td><td>(1) OF</td></tr>
</table></td><td>4</td></tr>
<tr><td>3(c)</td><td>KA Limited
Journal

<table>
<tr><th>Details</th><th>Debit
$</th><th>Credit
$</th><th></th></tr>
<tr><td>Irrecoverable debts</td><td>350</td><td></td><td>(1)</td></tr>
<tr><td>DH Limited</td><td></td><td>350</td><td>(1)</td></tr>
</table></td><td>2</td></tr>
<tr><td>3(d)(i)</td><td>The amount of sales for which the business is unlikely to be paid (1) is regarded as an expense of the year in which those sales are made (1)</td><td>2</td></tr>
<tr><td>3(d)(ii)</td><td>The profit for the year is not overstated (1) and the amount of trade receivables is shown at a realistic level in the statement of financial position (1)</td><td>2</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4(a)</td><td>
Nikita
Journal
<table>
<tr><th>Error</th><th>Details</th><th>Debit
$</th><th>Credit
$</th><th></th></tr>
<tr><td>1</td><td>Suspense
Insurance</td><td>2000</td><td>
2000</td><td>(1)
(1)</td></tr>
<tr><td>2</td><td>Suspense
Discount received
Discount allowed</td><td>1000</td><td>
500
500</td><td>(2)
(1)
(1)</td></tr>
<tr><td>3</td><td>Kajal
Suspense</td><td>400</td><td>
400</td><td>(1)
(1)</td></tr>
<tr><td>4</td><td>Aisha
Anisah</td><td>700</td><td>
700</td><td>(1)
(1)</td></tr>
</table>
</td><td>10</td></tr>
<tr><td>4(b)</td><td>
Nikita
Suspense account
<table>
<tr><th>Date</th><th>Details</th><th>$</th><th>Date</th><th>Details</th><th>$</th></tr>
<tr><td></td><td>Insurance (1)
Discount received (1)
Discounts allowed (1)</td><td>2 000
500
500
3 000</td><td></td><td>Difference on trial balance (1)
Kajal (1)</td><td>
2 600
400
3 000</td></tr>
</table>
</td><td>5</td></tr>
</table>

Question	Answer	Marks
4(c)	Nikita Statement of corrected profit for the year ended 30 June 2021	**5**

	Increase in profit $		Decrease in profit $	$
Profit for the year before corrections				28 000
Error 1	2 000	**(1)**	–	
Error 2	1 000	**(1)**	–	
Error 3	no effect	**(1)**	–	
Error 4	no effect	**(1)**	–	
	3 000			3 000
Corrected profit for the year				31 000 **(1) OF**

Question	Answer	Marks
5(a)		**15**

Simon

Delivery vehicles account

Date	Details	$	Date	Details	$
2019			2020		
Jan 1	*Balance b/d*	*55 000*	Mar 31	Disposal **(1)**	25 000
			Dec 31	Balance c/d	30 000
		55 000			55 000
2021					
Jan 1	Balance b/d **(1)**	30 000			

Provision for depreciation of delivery vehicles account

Date	Details	$	Date	Details	$
2019			*2019*		
Dec 31	Balance c/d	22 000	*Jan 1*	*Balance b/d*	*11 000*
			Dec 31	Income statement	
				6000 **(1)**	
				5000 **(1)**	11 000
		22 000			22 000
2020			2020		
Mar 31	Disposal		Jan 1	Balance b/d **(1)OF**	22 000
	(5000 + 5000) **(1)**		Dec 31	Income statement	
	+1250 **(1)**	11 250		6000 **(1)**	
Dec 31	Balance c/d	18 000		1250 **(1)**	7 250
		29 250			29 250
			2021		
			Jan 1	Balance b/d **(1)OF**	18 000

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>
Delivery vehicles disposal account
<table>
<tr><th>Date</th><th>Details</th><th>$</th><th>Date</th><th>Details</th><th>$</th></tr>
<tr><td>2020
Mar 31</td><td>Delivery vehicles (1)</td><td>25 000</td><td>2020
Mar 31

Dec 31</td><td>Prov for Dep. (1)OF
Bank (1)
Income statement (1)OF</td><td>11 250
10 350
3 400</td></tr>
<tr><td></td><td></td><td>25 000</td><td></td><td></td><td>25 000</td></tr>
</table>
Dates (1)
</td><td></td></tr>
<tr><td>5(b)</td><td>
Reducing balance
Has to be recalculated each year
Suitable when lose more value in early years
Shows a more realistic book value
Matches cost more closely with revenue
Unable to compare with previous accounts

Straight line
Easier to calculate / only one calculation needed
Suitable when lose equal value each year
Suitable when annual usage is the same
Should not change method without good reason / apply consistency

Accept other valid points
Max (4)

Recommendation (1)
</td><td>5</td></tr>
</table>