CAMBRIDGE
International Education

Cambridge IGCSE™

ACCOUNTING **0452/22**

Paper 2 Structured **October/November 2024**

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 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **17** printed pages.

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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 descriptions 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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Annotation	Description	Use
	Tick	Indicates a point which is relevant and rewardable.
	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
	An extraneous figure or item in the statement	
	OF	Own figure
	Noted but no credit given	Indicates that content has been recognised but not rewarded.
	Repetition	Indicates where content has been repeated.

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Question	Answer	Marks
1(a)		**13**

Kalima
Cash book

Date	Details	Discount allowed	Cash	Bank		Date	Details	Discount Received	Cash	Bank	
2024		$	$	$		2024		$	$	$	
Sept 1	Balance b/d		240			Sept 1	Balance b/d			890	
3	Sales		478		**(1)**	2	Stationery		82		**(1)**
14	Elizah	13		507	**(1)**	3	Badr			30	**(1)**
16	Cash			120	**(1)**	5	Wages			1 390	**(1)**
						10	Drawings			150	**(1)**
						16	Bank		120		**(1)**
						21	Gulnar	4		196	**(1)**
30	Balance c/d			2 029		30	Balance c/d		516		
		13	718	2 656				4	718	2 656	**(1)OF***
Oct 1	Balance b/d		516		**(1)OF**	Oct 1	Balance b/d			2 029	**(1)OF**

(1) for dates *For totalling dr and cr columns

1(b)	Bank overdraft	**1**

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Question	Answer	Marks
1(c)	Kalima Elizah Account	**5**

Date 2024	Details	Amount $	Date 2024	Details	Amount $
Sept 1	Balance b/d	520	Sept 14	Bank	507 **(1)OF**
23	Sales	1 450 **(1)**		Discount allowed	13 **(1)OF**
			29	Sales returns	325 **(1)**
			30	Balance c/d	1 125
		1 970			1 970
Oct 1	Balance b/d	1 125 **(1)OF**			

Question	Answer	Marks
1(d)	Current Assets	**1**

Question	Answer	Marks
2(a)		**2**

	Workings	Answer $
Capital at 1 April 2023	140 000 + 92 000 – 10 000 + 24 600 +39 600 – 24 750 –3 200 +1 650	259 900 **(1)**
Capital at 31 March 2024	140 000 +106 000 – 36 000+ 42 000 + 43 400 –19 700 +13 000 +1 200	289 900 **(1)**

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Question 2(b) — **Marks: 4**

	Added to opening capital		Deducted from opening capital	Total
	$		$	$
Capital at 1 April 2023				259 900
Capital Introduced	10 000 **(1)**			
Profit for the year	20 620 **(1)**	**OF**		
Drawings			620**(1)**	
Total adjustments	30 620		620	30 000
Capital at 31 March 2024				289 900**(1)OF***

* For both opening and closing capital figures

Question 2(c)(i) — **Marks: 3**

Either

	$	
Payments to credit suppliers	224 700	
Add closing trade payables	19 700	*
	244 400	
Less opening trade payables	(24 750)	***(1) both opening & closing figures**
	219 650	
Less drawings	(620)	**(1)**
	219 030	**(1)OF**

Or

Bank	224 700	Balance b/d	24 750 *
Balance c/d	19 700 *(1)	Drawings	620 (1)
	244 400	Purchases	219 030 (1)OF
			244 400

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Question	Answer	Marks
2(c)(ii)	Either $ Payments received from credit customers 452 000 Add closing trade receivables 43 400 495 400 Less opening trade receivables (39 600) ***(1) both opening & closing figures** Total credit sales 455 800 Cash Sales 21 000 **(1)** Total sales for the year 476 800 **(1) OF** Or Balance b/d 39 600 * | Bank 452 000 Sales 476 800 (1)OF | Cash sales 21 000 (1) Balance c/d 43 400 *(1) 516 400 | 516 400	**3**
2(d)	**Advantages (2)** Preparation of financial statements would be quicker / easier Better control over business activities / able to track transactions / income and expenses Chances of fraud reduced / errors may be reduced Comparison with previous years / aids decision making Information required by a bank/investor readily available Allow Ben time to concentrate on other business activities **Accept other valid points** **Disadvantages (2)** Salary of book-keeper to pay Profit may not be adequate to cover the cost of employing the book-keeper. Additional costs on top of salary paid. Problems of recruiting suitable / trained candidate **Accept other valid points** **Recommendation (1)**	**5**
2(e)(i)	Prudence Or Matching / accruals	**1**

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Question	Answer	Marks
2(e)(ii)		**2**

	Profit for the year	Trade receivables	Cash at bank	
Increase				
Decrease	✓	✓		**(1) for both**
No effect			✓	**(1)**

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

Sports T
Café Income Statement
for the year ended 31 December 2023

	$		$	
Cafe sales			27 000	
Cost of sales				
Opening inventory	1 290	*		
Purchases of food & drink	8 220			
	9 510			
Less Closing inventory	1 340	***(1)**	8 170	**(1)**
			18 830	**(1)OF**
Expenses				
Wages – café assistant			14 352	**(1)**
Profit for the year – cafe			4 478	**(1)OF**

* For both inventory figures

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Question	Answer	Marks

3(b)

	Sports T club Subscriptions account						
Date	Details	$		Date	Details	$	
2023 Jan 1 Dec 31	Balance b/d Income & Expenditure Account	1 520 158 960	**(1)** **(1)OF**	2023 Dec 31	Bank or Cash	162 000	**(1)**
	Balance c/d	2 800 163 280			Balance c/d	1 280 163 280	
2024 Jan 1	Balance b/d	*1 280		2024 Jan 1	Balance b/d	*2 800	**(1)**

(1) for dates
***For both balances b/d**

5

3(c)

Sports T club Income and expenditure account for the year ended 31 December 2023				
Income:	$		$	
Profit from the cafe	4 478	**(1)OF**		
Subscriptions	158 960	**(1)OF**		
Bank interest	720	**(1)**	164 158	**(1)OF**
Expenditure				
Wages: Sports coaches	58 220	**}**		
Administration salaries	31 720	**}(1)**		
Rent (16 250 – 1250)	15 000	**(1)**		
Sports equipment hire	34 800	**(1)**		
Rates & insurance	3 200	**(1)**		
Accountancy fees	2 400	**(1)**	(145 340)	
Surplus for the year			18 818	**(1)OF**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4(a)</td><td>Either - A public limited company is allowed to offer its shares to the public whereas a private limited company cannot.
Or - A public limited company has to publish its financial statements whereas a private limited company does not.</td><td>1</td></tr>
<tr><td>4(b)</td><td>Issued share capital is the amount of share capital issued to the shareholders (1)
Called up share capital is the part of issued share capital for which payment has been requested from the shareholders (1)</td><td>2</td></tr>
<tr><td>4(c)</td><td>Liability for the debts of the company is limited to the amount invested by the shareholder (1)
Separate legal identity / legal action cannot be taken against the individual shareholders of the company (1)
Access to additional capital / easier to obtain loans (1)
Has continuity of existence (1)
Accept other valid points
Max 2</td><td>2</td></tr>
<tr><td>4(d)</td><td>
Y Limited
Statement of changes in equity for the year ended 31 December 2023
<table>
<tr><td></td><td>Ordinary Share Capital</td><td>General Reserve</td><td>Retained Earnings</td><td>Total</td><td></td></tr>
<tr><td></td><td>$</td><td>$</td><td>$</td><td>$</td><td></td></tr>
<tr><td>On 1 January 2023</td><td>800 000</td><td>78 000</td><td>62 000</td><td>940 000</td><td>(1)</td></tr>
<tr><td>Profit for the year</td><td></td><td></td><td>118 500</td><td>118500</td><td>(2)*</td></tr>
<tr><td>Dividend paid (final)</td><td></td><td></td><td>(43 000)</td><td>(43000)</td><td>(1)</td></tr>
<tr><td>Dividend paid (interim)</td><td></td><td></td><td>(40 000)</td><td>(40000)</td><td>(1)</td></tr>
<tr><td>Transfer to general reserve</td><td></td><td>32 000</td><td>(32 000)</td><td>–</td><td>(1)</td></tr>
<tr><td>On 31 December 2023</td><td>800 000</td><td>110 000</td><td>65 500</td><td>975500</td><td>(1)OF</td></tr>
</table>
* 2 marks if adjusted for preference share dividends, 1 mark if not adjusted $126 000
</td><td>7</td></tr>
</table>

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Question	Answer	Marks
4(e)	Y Limited Extract from Statement of financial position at 31 December 2023 Equity — $ Ordinary Shares 800 000 **(OF)** General reserve 110 000 **(OF)** Retained earnings 65 500 **(OF)** 975 500 **(1)OF** **(1)*** ***mark for inclusion of all items in correct order**	**2**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4(f)</td><td>
<table>
<tr><th>Issuing debentures</th><th>Issuing ordinary shares</th></tr>
<tr><td>Annual interest is payable (1)

Are a liability\are a loan\must be repaid (1)

If company is wound up they are repaid before ordinary shareholders (1)

Debenture holders are not members of the company/cannot vote (1)

Issue of debentures will not dilute the control of the existing ordinary shareholders (1)

Interest is a fixed amount (1) (and so can be budgeted for)

Interest must be paid irrespective of profits (1)

May be secured on the non-current assets of the company (1)

Issue may not raise adequate funds (1)

Max (3)</td><td>A dividend may be paid (1)

Do not have to be repaid (1)

If company is wound up they are repaid after debenture holders (1)

Shares will carry same voting rights/rank equally as existing shares (1)

May dilute control of existing shareholders (1) (if some purchase a greater proportion of shares)

Dividend is not fixed (and may depend on profit levels) (1)

Directors can decide on amount of dividend they will pay (1)

May take longer to raise the funds (1)

Issue may not raise adequate funds (1)

Max (3)</td></tr>
</table>
Recommendation (1)</td><td>5</td></tr>
<tr><td>4(g)</td><td>Non-current liabilities / Long-term-liabilities</td><td>1</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>
<table>
<tr><th>Ratio</th><th>Workings</th><th>Answer</th></tr>
<tr><td>Inventory turnover
(correct to 2 decimal places)</td><td>$\frac{24\,074 + 278\,429 - 25\,600}{(24\,074 + 25\,600) / 2}$ (1)

$= = \frac{276\,903}{24\,837}$</td><td>11.15 times (1)</td></tr>
<tr><td>Trade receivables turnover
(round up your answer to the nearest whole day)</td><td>$\frac{42\,375 \times 365}{392\,600}$ (1) for formula</td><td>40 days (1)</td></tr>
<tr><td>Trade payables turnover
(round up your answer to the nearest whole day)</td><td>$\frac{21\,603 \times 365}{278\,429}$ (1) for formula</td><td>29 days (1)</td></tr>
</table>
</td><td>7</td></tr>
<tr><td>5(b)</td><td>Advantages (2)
Reduced administration – debt collection company will manage debt collection
Owner can spend more time on other areas of the business
Money received from credit customers quicker / improved cashflow / improved liquidity / trade receivables turnover will improve
Reduced risk of irrecoverable debts
Reduced need to borrow to finance working capital
Accept other valid points
Max 2
Disadvantages (2)
Cost/fees of debt collection company
May damage relationship with customer
Credit sales may reduce
Maybe a lack of communication between the agency and the owner / may not be effective in improving debt collection
Accept other valid points
Max 2
Recommendation (1)</td><td>5</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(c)</td><td>Improve credit control policy (1)
Issue regular statements & invoices (1)
Offer cash discount for prompt payment (1)
Charge interest on overdue accounts (1)
Max 2</td><td>2</td></tr>
<tr><td>5(d)(i)</td><td>Reduce cost of purchases (1)
Increase selling price (1)
Changing the proportions of types of goods sold (1)
Max 1</td><td>1</td></tr>
<tr><td>5(d)(ii)</td><td>Improve gross profit (1)
Control / reduce overall expenses (1)
Increasing other income (1)
Max (1)</td><td>1</td></tr>
<tr><td>5(e)(i)</td><td>Azim
Journal
<table><tr><th>Details</th><th>Debit
$</th><th>Credit
$</th></tr><tr><td>Drawings</td><td>340 (1)</td><td></td></tr><tr><td>Purchases</td><td></td><td>340 (1)</td></tr></table></td><td>2</td></tr>
<tr><td>5(e)(ii)</td><td><table><tr><th></th><th>increase</th><th>decrease</th><th>no effect</th></tr><tr><td>gross profit</td><td>✓ (1)</td><td></td><td></td></tr><tr><td>closing capital</td><td></td><td></td><td>✓ (1)</td></tr></table></td><td>2</td></tr>
</table>

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