

CAMBRIDGE INTERNATIONAL EXAMINATIONS

Cambridge International General Certificate of Secondary Education

MARK SCHEME for the March 2015 series

0452 ACCOUNTING

0452/12

Paper 12, maximum raw mark 120

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Glossary for Q1

- (a) A $29\,500 - 18\,100 + 11\,300 - 15\,000 = 7700$
 B $29\,500 + 18\,100 - 11\,300 - 15\,000 = 21\,300$
 C $29\,500 - 18\,100 + 11\,300 + 15\,000 = 37\,700$
 D $29\,500 + 18\,100 - 11\,300 + 15\,000 = 51\,300$

- (d) A $(750/15) \times 4$ months
 B $(750/12) \times 4$ months
 C $(750/12) \times 8$ months
 D $(750/15) \times 11$ months

- (e) A $78 - 22 - 6$
 B $78 - 22$
 C from question
 D from question

Mark scheme

1 (a) B

(b) C

(c) D

(d) D

(e) A

(f) B

(g) A

(h) C

(i) C

(j) A

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2 (a) An item which an organisation owns/which is owed to the organisation (1) [1]

(b) A statement of financial position is a statement of all the assets and liabilities of an organisation (1) at a specific date (1). An income statement is a statement of all the revenues and costs of an organisation (1) for a specific period (1). [4]

(c)

	Debit	Credit
Cash	✓	
Capital		✓ (1)
Bonnie – a credit customer	✓ (1)	
Loan from the bank		✓ (1)
Other operating expenses	✓ (1)	
Purchases returns		✓ (1)

[5]

(d)

Feb	Account to be debited	\$	Account to be credited	\$
1	Purchases	600	Abdul	600
2	Cash	150 (1)	Sales	150 (1)
3	Bank	100 (1)	Cash	100 (1)
4	Drawings	50 (1)	Cash	50 (1)
5	Sara	510 (1)	Sales	510 (1)
6	Abdul	600 (1)	Bank	600 (1)

[10]

(e)

John
Cash book (bank columns)

Date	Details	\$	Date	Details	\$
Feb 1	Balance b/d	450 (1)	Feb 6	Abdul	600 (1)
3	Cash	100 (1)			
7	Balance c/d	50			
		-----			-----
		600			600
		-----			-----
			Feb 8	Balance b/d	50 (1of)

+1 for dates

[5]

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(f) Drawings (1)

[1]

[Total: 26]

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3 (a) (i)

Alex
Provision for depreciation account

Date	Details	\$	Date	Details	\$
2014			2014		
Apr 1	Disposal account	6 800 (1)	Jan 1	Balance b/d	6 800 (1)
Dec 31	Balance c/d	9 600	Dec 31	Income statement	9 600 (1)
		-----			-----
		16 400			16 400
		-----			-----
			2015		
			Jan 1	Balance b/d	9 600
					(1of)

+1 for dates

[5]

(ii)

Alex
Disposal account

Date	Details	\$	Date	Details	\$
2014			2014		
Apr 1	Motor vehicle	17 000 (1)	Apr 1	Prov depreciation	6 800
					(1OF)
				Bank	9 400 (1)
				Income statement	800 (1of)
		-----			-----
		17 000			17 000
		-----			-----

[4]

(b)

Alex

Statement of Financial Position (extract) at 31 December 2014

Non-current assets **(1)**

	Cost	Accumulated depreciation	Net book value
	\$	\$	\$
Motor vehicles	24 000 (1)	9 600 (1of)	14 400 (1of)

[4]

(c) $14\,400 \text{ (1of)} \times 40\% = 5\,760 \text{ (1of)}$

[2]

(d) general journal **(1)** cash book **(1)**

[2]

(e) Money spent on day to day running expenses **(1)**
Suitable example **(1)**

[2]

[Total: 19]

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- 4 (a) Total sales = 165 600 + 44 400 = 210 000 (1)
 Cost of sales = 210 000 × 2/3 (1) = 140 000 (1of)
 Purchases = 140 000 – 21 600 (1) + 28 800 (1) = 147 200 (1of) [6]

(b)

				Kriti			
				Sales ledger control account			
2014		\$		2014		\$	
Jan 1	Balance b/d	13 400		Jan 1	Balance b/d	120	
		(1 for both)					
Dec 31	Credit sales	165 600	(1)	Dec 31	Bad debts	2 800	(1)
	Bank	90	(1)		Bank	155 010	(1)
	Balance c/d	200			Discount allowed	4 560	(1)
					PLCA	1 300	(1)
					Balance c/d	15 500	
2015		179 290		2015		179 290	
Jan 1	Balance b/d	15 500	(1of)	Jan 1	Balance b/d	200	(1)
+1 for dates							

[10]

- (c) Check for errors in sales ledger
 May reduce fraud
 Provides quick total of trade receivables
 Provides summary of trade receivables transactions
 Any two reasons (1) each [2]

- (d) Customer overpays
 Customer returns goods after payment
 Customer did not deduct discount before payment
 Any one reason (1) [1]

- (e) A provision for doubtful debts does not affect an individual debtor's account (1) [1]

[Total: 20]

5 (a)

Cost	Overhead section of the manufacturing account	Income statement
Office rent		✓
Factory rent	✓ (1)	
Carriage outwards		✓ (1)
Depreciation of machinery	✓ (1)	
Depreciation of office equipment		✓ (1)
Discount allowed		✓ (1)
Salesman's salary		✓ (1)
Administration costs		✓ (1)

[7]

(b)

Harrington			
Manufacturing Account (extract) for the year ended 31 December 2014			
	\$		\$
Inventory of raw materials at 1 January 2014			5 600
Purchases of raw materials	71 100		
Less purchases returns	<u>1 000</u>	(1)	
	70 100		
Less drawings	<u>2 000</u>	(1)	
	68 100		
Carriage inwards	<u>2 100</u>	(1)	
			<u>70 200</u>
			75 800
Inventory of raw materials at 31 December 2014			<u>4 200</u>
Cost of raw materials consumed (1)			71 600 (1OF)
Direct labour			<u>52 550</u>
Prime cost (1)			<u>124 150</u> (1of)

[9]

(c) To set prices OR to compare the cost of manufacturing with the cost of buying the goods in. (1)

[1]

(d) $4200 (1) + 1800 (1) + 5500 (1) = 11\,500$

[3]

[Total: 20]

6 (a)

	Increase \$	Decrease \$	\$
Draft profit			26 200
Error 1	400 (1)		
Error 2		600 (1)	
Error 3	2 000 (1)		
Error 4	<u>50 (1)</u>	<u> </u>	
	<u>2 450</u>	<u>600</u>	<u>1 850</u>
Corrected profit			<u>28 050 (1of)</u>

[5]

(b)

Arun		
Statement of Financial Position at 31 January 2015		
	\$	
Non-current assets		
Fixtures and fittings	20 800	
Motor vehicles	12 100	
	<u>32 900</u>	(1)
Current assets		
Inventory	15 900	(1)
Trade receivables (8700 – 600)	8 100	(1)
Other receivables	400	(1)
Cash and cash equivalents (1100 + 50)	1 150	(1)
	<u>25 550</u>	
Total assets	<u>58 450</u>	
Capital at 1 February 2014	28 400	(1)
Profit for the year	28 050	(1of)
	56 450	
Drawings 10 000 (1) + 2000 (1)	12 000	
Capital at 31 January 2015	<u>44 450</u>	
Current liabilities		
Trade payables	14 000	(1)
Total liabilities	<u>58 450</u>	

[10]

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- (c) Accruals (matching)
 Costs and revenues should be matched **(1)** within an accounting period **(1)**
 Any suitable example **(1)**

Business entity

The business is treated as being separate from the owner **(1)**. The business records are from the viewpoint of the business **(1)**.

Any suitable example **(1)**

[6]

(d)

	Increase	Decrease
Gross profit margin	✓ (1)	
Rate of inventory turnover (in days)	✓ (1)	
Net profit margin	✓ (1)	
Return on capital employed	✓ (1)	

[4]

[Total: 25]