

**CAMBRIDGE**  
INTERNATIONAL EXAMINATIONS

**NOVEMBER 2002**

**INTERNATIONAL GCSE**

<b>MARK SCHEME</b>
<b>MAXIMUM MARK : 100</b>
<b>SYLLABUS/COMPONENT : 0452/03</b>
<b>ACCOUNTING</b>



UNIVERSITY of CAMBRIDGE  
Local Examinations Syndicate

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**Question One**

**Part (a)**

Journal

	Debit \$	Credit \$
1. Stationery Suspense	50 (1)	50 (1)
2. Suspense Sales	1 000 (1)	1 000 (1)
3. Abdulla Ahmed Abdul Ahmed	240 (1)	240 (1)
4. Suspense Discount Allowed Discount Received	28 (1)	14 (1) 14 (1)
5. Joe Jones Suspense	190 (1)	190 (1)

[11]

**Part (b)**

Suspense Account

	\$		\$
Sales	1 000 (1)	Difference on Trial Balance	788 (1)
Discount allowed	14 (1)	Stationery	50 (1)
Discount received	<u>14 (1)</u>	Joe Jones	<u>190 (1)</u>
	<u>1 028</u>		<u>1 028</u>

[6]

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**Question One Continued**  
**Part (b) Alternative Presentation**

Suspense Account

	Debit	Credit	Balance
	\$	\$	\$
Difference on Trial Balance		788 (1)	788 Cr
Stationery		50 (1)	838 Cr
Sales	1 000 (1)		162 Dr
Discount allowed	14 (1)		176 Dr
Discount received	14 (1)		190 Dr
Joe Jones		190 (1)	0

[6]

**Part (c)**

- Error 2 – Increase of \$1 000 (1)
- 3 – No effect (1)
- 4 – Increase of \$28 (1)
- 5 – No effect (1)

[4]

[Total 21]

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**Question Two**

**Part (a)**

- Provides instant totals of debtors/creditors
- Prove the arithmetical accuracy of the ledgers they control
- Enable the Balance Sheet to be prepared quickly
- May be used to identify ledgers in which there are errors when a Trial Balance does not agree
- Provides a summary of the transactions relating to debtors/creditors for the period
- Provides an internal check on the appropriate ledgers – may reduce fraud

Or other relevant points

Any 2 points (1) each [2]

**Part (b)**

- (i) Sales Journal (Sales Day Book) (1)
- (ii) Cash Book (1)
- (iii) Journal (General Journal) (1)

[3]

**Part (c)**

- Debtor overpaid the amount owed
- Debtor paid his account and later returned goods

Or other suitable reason

Any 1 point (2) [2]

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**Question Two**  
**Part (d)**

**Purchases Ledger Control Account**

2002	\$	2002	\$
Oct 31 Purchases returns	135 (1)	Oct 1 Balance b/d	2 950 (1)
Bank	4 120 (1)	31 Purchases	5 050 (1)
Discount received	85 (1)	Cash	100 (1)
Balance c/d	<u>3 760 (1)</u>		
	<u>8 100</u>		<u>8 100</u>
		Nov 1 Balance b/d	3 760 (1) O/F

+ (1) Dates

[9]

**Alternative Presentation –**

**Purchases Ledger Control Account**

	Debit	Credit	Balance
	\$	\$	\$
2002			
Oct 1 Balance		2 950 (1)	2 950 Cr
31 Purchases		5 050 (1)	8 000 Cr
Cash		100 (1)	8 100 Cr
Purchases returns	135 (1)		7 965 Cr
Bank	4 120 (1)		3 845 Cr
Discount received	85 (1)		3 760 Cr (2)C/F
			(1)O/F

+ (1) Dates

[9]

[Total 16]

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**Question Three****Part (a)**

## Receipts and Payments Account for the year ended 30 September 2002

2001	\$	2002	\$
Oct 1 Balance	4 750 (1)	Sept 30 Insurance	660 (1)
2002		Rent	1 040 (1)
Sept 30 Snack bar sales	3 000 (1)	Snack bar purchases	2 600 (1)
Subscriptions	3 250 (1)	General expenses	1 210}
Sale of equipment	50 (1)	Printing & stationery	210} (1)
		Equipment	2 050 (1)
		Balance c/d	<u>3 280 (1)</u>
	<u>11 050</u>		<u>11 050</u>
2002			
Oct 1 Balance b/d	3 280		

**[10]****Part (b)**

Income &amp; Expenditure A/c similar to Profit and Loss – Receipts &amp; Payments

A/c summary of Cash Book

Income &amp; Expenditure A/c used to calculate surplus/deficit – Receipts &amp;

Payments A/c used to calculate bank balance

Income &amp; Expenditure A/c includes adjustments for accruals and prepayments

Income &amp; Expenditure A/c includes non-monetary items

Income &amp; Expenditure A/c does not include capital receipts and capital payments

**Or other relevant points****Any 2 points up to (2) each –[4]**

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**Question Three**  
**Part (c)**

Snack Bar Trading Account for the year ended 30 September 2002

	\$	\$	\$
Sales			3 000 (1)
Less Cost of Sales			
Stock 1 October 2001		260 (1)	
Purchases		<u>2 600 (1)</u>	
		2 860	
Less Stock 30 September 2002			
Stock stolen	235 (1)O/F		
Stock remaining	<u>125 (1)</u>	<u>360</u>	<u>2 500 (2)</u>
Gross Profit			<u>500 (1)O/F</u>

[8]

Horizontal presentation acceptable

[Total 22]

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**Question Four**

**Part (a)**

- Will have a share in the profits
- Can take part in decision-making
- Prospects for future (especially as Gideon is retiring)

Or other relevant points

Any 2 points (1) each [2]

**Part (b)**

- Will be personally liable for the debts of the firm
- Will have greater responsibilities
- Will probably be required to invest capital

Or other relevant points

Any 2 points (1) each [2]

**Part (c)(i)**

Goodwill Account

2002	\$	2002	\$
Oct 1 Capital Gideon	8 000 (1)	Oct 1 Capital Gideon	4 800 (1)
Mary	4 000 (1)	Mary	4 800 (1)
		John	2 400 (1)
	<u>12 000</u>		<u>12 000</u>

[5]

**Alternative presentation –**

Goodwill Account

2002	Debit	Credit	Balance
	\$	\$	\$
Oct 1 Capital Gideon	8 000 (1)		8 000 Dr
Mary	4 000 (1)		12 000 Dr
Capital Gideon		4 800 (1)	7 200 Dr
Mary		4 800 (1)	2 400 Dr
John		2 400 (1)	0

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**Question Four Continued**  
**Part (c)(ii)**

**Capital Accounts**

	Gideon	Mary	John		Gideon	Mary	John
2002	\$	\$	\$	2002	\$	\$	\$
	(1)O/F	(1)O/F	(1)O/F		(1)	(1)	
Oct 1 Goodwill	4800	4800	2400	Oct 1 Balance	40000	30000	
				Cash			20000 (1)
Balance c/d	43200	29200	22600	Motor			5000 (1)
				Goodwill	(1)O/F	(1)O/F	
					8000	4000	
	<u>48000</u>	<u>34000</u>	<u>25000</u>		<u>48000</u>	<u>34000</u>	<u>25000</u>
				Oct 1 Balance b/d	43200	29200	22600
					(1)O/F	(1)O/F	(1)O/F

[12]

Alternative presentation – three separate Capital Accounts in ‘T’ account format

Alternative presentation – three separate Capital Accounts in three column running balance format. See next page.

**Question Four Continued**  
**Part (c)(ii) Alternative presentation**

**Gideon Capital Account**

2002	Debit \$	Credit \$	Balance \$
Oct 1 Balance		40 000 (1)	40 000 Cr
Goodwill		8 000 (1)O/F	48 000 Cr
Goodwill	4 800 (1)O/F		43 200 Cr (1)O/F

**Mary Capital Account**

2002	Debit \$	Credit \$	Balance \$
Oct 1 Balance		30 000 (1)	30 000 Cr
Goodwill		4 000 (1)O/F	34 000 Cr
Goodwill	4 800 (1)O/F		29 200 Cr (1)O/F

**John Capital Account**

2002	Debit \$	Credit \$	Balance \$
Oct 1 Cash		20 000 (1)	20 000 Cr
Motor		5 000 (1)	25 000 Cr
Goodwill	2 400 (1)O/F		22 600 Cr (1)O/F

[12]

**Part (d)**

- Location of business
- Reputation of business
- Possession of trademarks and brand names
- Number of regular customers
- Experienced and reliable staff
- Contacts with regular suppliers

Or other relevant points

Any 2 points (1) each

[2]

[Total 23]

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**Question Five****Part (a)**

Khalid Ahmed

- (i) Gross Profit/Sales  $\frac{13750}{55000} \times \frac{100}{1} = 25\% (1)$
- (ii) Net Profit/Sales  $\frac{4675}{55000} \times \frac{100}{1} = 8.5\% (1)$
- (iii) Collection period for debtors  $\frac{2870}{(1)30000} \times \frac{365}{1} = 34.92 \text{ days } (1)$
- (iv) Payment period for creditors  $\frac{4850}{(1)42300} \times \frac{365}{1} = 41.85 \text{ days } (1)$

Omar and Sara Moussa

- (i) Gross Profit/Sales  $\frac{32400}{108000} \times \frac{100}{1} = 30\% (1)$
- (ii) Net Profit/Sales  $\frac{19440}{108000} \times \frac{100}{1} = 18\% (1)$
- (iii) Collection period for debtors  $\frac{16750}{108000} \times \frac{365}{1} = 56.61 \text{ days } (1)$
- (iv) Payment period for creditors  $\frac{12500}{72800} \times \frac{365}{1} = 62.67 \text{ days } (1)$

**[10]**

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**Question Five Continued****Part (b)**

Different type of business (sole trader/partnership)

Different type of trade (food store/furniture store)

One run by manager one run by owners

One is a new business one is 5 years old

Different types of expenses – one has rent other has costs of premises

one has no delivery costs other has motor expenses

Different volume of sales

Or other relevant points

**Any 4 points (2) each**

**[8]**

**[Total 18]**