

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

**MARK SCHEME for the October/November 2010 question paper
for the guidance of teachers**

0452 ACCOUNTING

0452/13

Paper 1, maximum raw mark 120

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- 1 (a) A [1]
- (b) C [1]
- (c) B [1]
- (d) B [1]
- (e) A [1]
- (f) C [1]
- (g) D [1]
- (h) D [1]
- (i) C [1]
- (j) D [1]

[Total: 10]

- 2 (a) (Sales) invoice [1]

(b)

	Capital expenditure	Revenue expenditure
Purchase of shop	✓ (1)	
Repairs to shop windows		✓ (1)
Purchase of new lock for shop door	✓ (1)	

[3]

- (c) Balance sheet [1]

- (d) The business is expected to continue (1) for the foreseeable future (1) [2]

- (e) Error of principle [1]

- (f) 5000 shares (1) × \$0.25 (1) = \$1250 [2]

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(g) Premium for year = \$600
 Period 1 July – 30 September is 3 months
 Expense = \$600 (1) / 4 (1) = \$150 (1) **OF** [3]

(h) Current assets – current liabilities
\$15 000 + 14 500 (1) + 16 000 (1) – 18 200 (1) = \$27 300 (1) [4]

(i) Collection period = trade receivables / credit sales × 365 days
 = \$13 800 (1) / \$126 000 (1)
 = 39.97 = 40 **OF (1)** days (1)
OF if Cash + Credit sales [4]

[Total: 21]

3 (a) Summa account

October		October	
8 Purchase returns	100 (1)	5 Purchases	320 (1)
30 Bank (<i>not Cash</i>)	220 (1)	29 Purchases	270 (1)
31 Balance c/d OF	<u>270 (1)</u>		<u>350</u>
	<u>590</u>		
		November	
		1 Balance b/d	270 OF (1)
		+ (1) for all correct dates	[7]

Carter account

October		October	
31 Bank (<i>not Cash</i>)	485 (1)	17 Purchases	500 (1)
31 Discount	<u>15 (2)</u>		<u>500</u>
	<u>500</u>		
		+ (1) for all correct dates	[5]

(b) (i) 200 units (1) × \$2.80 (1) = 560.00 [2]

(ii) 100 units (1) × \$3.20 (1) = 320.00
 130 units (1) × \$3.10 (1) = 403.00
 120 units (1) × \$2.90 (1) = 348.00
 1071.00 [6]

(c) 130 units (1) × \$3.00 (*NRV*) (2) = 390.00
120 units (1) × \$2.90 (*cost*) (1) = 348.00
250 738.00

Allow 2 if 250 × \$3.00 [5]

[Total: 25]

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- 4 (a) A trial balance is a list of balances (1) on the accounts in the books / ledgers / records (1) at a particular date (1) used to check the accuracy of accounts. Allow “**check accuracy**” if linked with “**list of balances**”. [Max 3]

- (b) **Gorman Limited**
Income statement (trading and profit and loss account)
Year ended 30 September 2010

Revenue (sales)	\$	\$	
		92 000	(1)
Inventory (stock) at 1 October 2009	13 900		(1)
Purchases	70 300		(1)
Carriage inwards	<u>600</u>		(1)
	84 800		
Less: inventory (stock) at 30 Sept 2010	<u>14 300</u>		(1)
Cost of goods sold		<u>70 500</u>	
Gross profit		21 500	OF (1)
Rent	2 600		(1)
Electricity	850		(1)
Property tax (1500-300)	1 200		(1)
Wages and salaries	5 750		(1)
Repairs and maintenance	1 100		(1)
Administrative expenses	4 000		(1)
Depreciation	1 700		(1)
Bank charges	<u>120</u>		(1)
		<u>17 320</u>	
Profit for the year (net profit)		<u>4 180</u>	OF (1) [13]

- (c) (i) Prudence, consistency, lower of cost and net realizable value (any one) (2)

- (ii) Accruals, matching (any one) (2) [4]

- (d) (Rate of inventory (stock) turnover = cost of goods sold / average stock
= 70 500 (1) / (13 900 + 14 300) (1) / 2 (1)
= 5 (1) times (1) [5]

- (e) Collect receivables, reduce inventory, delay payment of payables, sell Fixed Assets (any one). [2]

[Total: 27]

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5 (a) (i) Cash discount (1), $3\% (1) \times \$300 (1) = \9.00 [3]
(or $3/97 \times 291$)

(ii) Trade discount (1), $5\% (1) \times \$2000 (1) = \100.00 [3]
(or $5/95 \times 1900$)

(b)

Sohara Cash Book
September 2010

Date	Details	Discount	Cash	Bank	Date	Details	Discount	Cash	Bank
		\$	\$	\$			\$	\$	\$
1	Balance b/down (1)		700	3000					
6	Juno (1)	9 OF (1)		*291 (1)	8	Apollo (1)		1900 (1)	
9	Minos (1)			85 (1)	10	Wages (1)		350 (1)	
10	Sales (1)		1850 (1)						

* OF if \$300 – OF Discount [12]

(c) (i) $\$300 (1) - \$270 (1) = \$30$ [2]

(ii) Lost or missing voucher
Lost or stolen cash
Error brought forward or in counting cash
Amount not recorded (any one) [2]

(iii) $\$300 (1) - \$20 (1) = \$280$ [2]

[Total: 24]

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6 (a) Norman – Journal

	\$	\$
Office Furniture	1 500 (1)	
Inventory (stock)	12 000 (1)	
Bank	2 300 (1)	
Cash	200 (1)	
Capital – Norman	(1)	16 000 (2)
	3 000 (1)	
Bank		
Loan – Peter		3 000 (1)

[8]

(b) (i) Straight line (fixed instalment) method (1)

(ii) Reducing (diminishing) balance method (1)

Other methods e.g. revaluation method may be accepted.

(c) Straight line method would be preferred (1) as furniture has an expected useful life and no scrap value (1) and cost would be fully written off consistently / evenly over the useful life (1). [3]

[Total: 13]