

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
International General Certificate of Secondary Education

**MARK SCHEME for the May/June 2011 question paper  
for the guidance of teachers**

**0452 ACCOUNTING**

**0452/13**

Paper 1, maximum raw mark 120

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## 1 Key

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

[Total: 10]

- 2 (a) Cash book, petty cash book, sales day book (journal), sales returns day book (journal), purchases day book (journal), purchases returns day book (journal), journal. (Any two, 1 mark each). [2]

- (b) To calculate the [net] profit [or loss] [for the year] – *not gross profit*. [1]

## (c)

	Income	Expense
Carriage outwards		✓(1)
Bad debt recovered	✓(1)	
Discount received	✓(1)	

[3]

- (d) The petty cashier has a fixed amount of money (the imprest) (1) and is reimbursed the amount of the actual expenses each period (1) to maintain this amount. [2]

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- (e) (i) Consistency [1]
- (ii) Reliability [1]
- (f) Current assets (1) /less Current liabilities (1) [2]
- (g) (i) Working capital = Trade receivables + bank + inventory – trade payables  
= (1300 + 3500 + 2900) (7700) (1) – 1800 (1)  
= 5900 (1)OF [3]
- (ii) Quick ratio = current assets less inventory / current liabilities  
= (7700 – 2900) (4800) (1) / 1800 (1)  
= 2.67 : 1 (1)OF (accept 2.66 : 1) [3]
- (h) Ordinary shares (equity shares), preference shares. [2]

**[Total: 20]**

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3 (a) Alcazar – credit sales

		\$	
Bank deposits		15 270	(1)
Less cash sales		<u>2 680</u>	(1)
		12 590	
Add trade receivables at 31 March 2011	4 080		
Less trade receivables at 1 April 2010	<u>3 140</u>		
		<u>940</u>	(1)
		<u>13 530</u>	(1)OF

[4]

(b)

Alcazar  
Income Statement for the year ended 31 March 2011

		\$	\$	
Revenue – credit sales			13 530	(1)OF
– cash sales			<u>2 680</u>	(1)
			16 210	
Less Cost of sales				
Inventory at 1 April 2010	1 780	(1)		
Purchases	9 560	(1)		
Carriage inwards	<u>280</u>	(1)		
	11 620			
Inventory at 31 March 2011	<u>1 920</u>	(1)		
			<u>9 700</u>	
Gross profit ( <i>must be correct caption</i> )			6 510	(1)OF
Rent	600	(1)		
Electricity	360	(1)		
Insurance	580	(1)		
Wages	<u>1 370</u>	(1)		
			<u>2 910</u>	
[Net] Profit [for the year] ( <i>must have caption</i> )			<u>3 600</u>	(1)OF

[12]

(c) (i) Gross profit / sales = 6510 (1)OF / 16210 (1)OF = 40.16% (1)OF [3]

(ii) Net profit / sales = 3600 (1)OF / 16210 (1)OF = 22.21% (1)OF [3]

(d) (i) New gross profit / new sales = 9010 (1)OF / 18710 (1)OF = 48.16% (1)OF [3]

(ii) Increased (1)OF [1]

**[Total: 26]**

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- 4 (a) An **other payable (accrued expense)** is an amount due and payable [in respect of expenses incurred in an accounting period] (1) which remains unpaid at the end of that period (1). [2]

(b)

Khalim  
Fuel expenses account

		2010	
		1 May	Balance b/d                    30 (1)
2011		2011	
30 April	Bank	30 April	Income statement            360 (1) OF
	Balance c/d		<i>(accept profit/loss acc)</i>
	<u>340</u> (1)		<u>390</u>
	<u>50</u> (1)		<u>50</u> (1)
	<u>390</u>		
		1 May	Balance b/d                    50 (1)
			(+ 1 for all correct dates)
			[6]

(c)

	Non-current tangible	Non-current intangible	Current
Warehouse	✓(1)		
Goodwill		✓(1)	
Motor van	✓(1)		
Trade receivables			✓(1)

[4]

- (d) At the lower (1) of cost (1) and net realisable value (1) [3]

(e)

Chair type	Units in stock	Cost or net realisable value per unit \$	Total value \$
Armchair	15 (1)	55 (1)	825
Dining chair	36 (1)	20 (2)	720
Folding chair	60 (1)	15 (1)	900
			2 445 (1)

[8]

[Total: 23]

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5 (a) Straight line method, revaluation method (1 mark each) [2]

(b) Depreciation

(i) Year 1 4500 (1) @ 40% (1) = 1800 (1)OF

(ii) Year 2 (4500 – 1800) = 2700 (2)OF @ 40% = 1080 (1)OF

(iii) Year 3 (2700 – 1080) = 1620 (2)OF @ 40% = 648 (1)OF

[9]

(c)

Piranha Limited  
Balance Sheet at end of third year (extract)

	Cost	Provision for Depreciation	Net book value
	\$	\$	\$
Non-current assets			
Computer system	4500 (1)	3528 (1)OF	972 (1)OF

[3]

(d) Depreciation rate should have been higher (1) because net book value after three years (\$972) is greater than expected scrap value after three years (\$750) (1) [2]

(e)

	Increase	Decrease	No effect
Net profit			✓(2)
Working capital	✓(2)		
Return on capital employed		✓(2)	

[6]

**[Total: 22]**

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6 (a)

Error 1

	Dr	Cr
Suspense	180 (1)	
[Carlo] – [loan]		180 (1)

Error 2

Cash [book]	850 (1)	
Sales		850 (1)

Error 3

Purchases	900 (1)	
Suspense		900 (1)

Error 4

Fixtures and fittings	1200 (1)	
Repairs		1200 (1)

[8]

(b)

Monica  
Suspense account

[Difference on] trial balance (1)	720 (1)	Purchases (1)	<u>900</u> (1)
Carlo – loan account (1)	<u>180</u> (1)		<u>900</u>
	<u>900</u>		

[6]

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(c)

Monica

Statement of corrected profit for the year ended 28 February 2011

Draft profit		3600	(1)
Error 1:	no effect		
Error 2:	add: sales	850	(1)
Error 3:	less: purchases	(900)	(1)
Error 4:	add: repairs	<u>1200</u>	(1)
Corrected profit		<u>4750</u>	(1)OF

[5]

**[Total: 19]**