



**Cambridge Assessment International Education**  
Cambridge International General Certificate of Secondary Education

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**ACCOUNTING**

**0452/22**

Paper 2

**October/November 2017**

MARK SCHEME

Maximum Mark: 120

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**Published**

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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 2017 series for most Cambridge IGCSE<sup>®</sup>, Cambridge International A and AS Level components and some Cambridge O Level components.

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This document consists of **12** printed pages.

Question	Answer						Marks	
1(a)(i)	Saffie Petty Cash Book						<b>9</b>	
	Total received \$ 63 87	Date 2017 Sept 1  3 11 21 30	Details  Balance b/d Bank Taxi fare Stationery Faariqa Postage  Balance c/d  Balance b/d	(1) (1) (1) (1) (1)  (1)OF	Total paid \$  12 64 29 22  127 23 150	Travel \$  12     12	Postage & stationery \$   64  22  86	Ledger accounts \$   29    29
	150							
	23	2017 Oct 1						
	+ (1) dates + (1)OF totalling analysis columns + (1)OF totalling total columns							

Question	Answer										Marks
1(a)(ii)	Saffie Cash Book										<b>10</b>
	Date	Details	Discount allowed	Cash	Bank	Date	Details	Discount received	Cash	Bank	
	2017 Sept 1	<i>Balance b/d</i>	\$	\$ 120	\$	2017 Sept 1	<i>Balance b/d</i>	\$	\$	\$ 3 841	
	26	Thushari	(1) 8		392		Petty cash			(1) 87	
	28	Sales	(1) 40	4 800		7	Repairs			(1) 461	
						15	SL Stores (dis. chq.)			(1) 210	
						29	Sopitha			(1) 12	468
						30	Balances c/d		12	160	125
			8	40	5192			12	160	5 192	
	2017 Oct 1	Balances b/d		160 (1)OF	125 (1)OF						
	+ (1)OF totalling discount columns + (1) dates										

Question	Answer	Marks																																																																
1(b)	<p style="text-align: center;">Saffie Bank Reconciliation Statement at 30 September 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td>Balance shown on bank statement</td> <td></td> <td style="text-align: right;">(4 649)</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Add Cheque not credited – Thushari</td> <td style="text-align: right;">392</td> <td></td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td>Amount not credited – cash sales</td> <td style="text-align: right;">4 800</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Bank error</td> <td style="text-align: right; border-top: 1px solid black;">50</td> <td style="text-align: right; border-top: 1px solid black;">5 242</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">593</td> <td></td> </tr> <tr> <td>Less Cheque not presented – Sopitha</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">468</td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td>Balance shown in cash book</td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">125</td> <td style="text-align: right;">(1)OF</td> </tr> </table> <p><b>Alternative presentation</b></p> <p style="text-align: center;">Bank Reconciliation Statement at 30 September 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td>Balance shown in cash book</td> <td></td> <td style="text-align: right;">125</td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td>Add Cheque not presented – Sopitha</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">468</td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">593</td> <td></td> </tr> <tr> <td>Less Cheque not credited – Thushari</td> <td style="text-align: right;">392</td> <td></td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td>Amount not credited – cash sales</td> <td style="text-align: right;">4 800</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Bank error</td> <td style="text-align: right; border-top: 1px solid black;">50</td> <td style="text-align: right; border-top: 1px solid black;">5 242</td> <td></td> </tr> <tr> <td>Balance shown on bank statement</td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(4 649)</td> <td style="text-align: right;">(1)</td> </tr> </table>		\$	\$		Balance shown on bank statement		(4 649)	(1)	Add Cheque not credited – Thushari	392		(1)OF	Amount not credited – cash sales	4 800		(1)	Bank error	50	5 242				593		Less Cheque not presented – Sopitha		468	(1)OF	Balance shown in cash book		125	(1)OF		\$	\$		Balance shown in cash book		125	(1)OF	Add Cheque not presented – Sopitha		468	(1)OF			593		Less Cheque not credited – Thushari	392		(1)OF	Amount not credited – cash sales	4 800		(1)	Bank error	50	5 242		Balance shown on bank statement		(4 649)	(1)	<b>6</b>
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Question	Answer	Marks
2(c)	Loan interest to pay every year. Loan interest to pay irrespective of profits. Loan to be repaid by given date.  <b>Or other suitable point</b> <b>Any 1 point (1)</b>	<b>1</b>
2(d)	Introduce additional capital Take a partner Convert to a limited company Mortgage the premises Borrow from family and friends See if government grants are available  <b>Or other suitable point</b> <b>Any 2 points (1) each</b>	<b>2</b>



Question	Answer	Marks																					
3(c)	Balance b/d 1 September 2016: Value of stationery/inventory of stationery at that date. (1) Credit stationery account for previous financial year. (1)  XY Limited 8 February 2017: Value of stationery purchased on credit from XY Limited. (1) Credit XY Limited account. (1)  Drawings 31 July 2017: Value of stationery taken by owner for personal use. (1) Debit drawings account. (1)	6																					
3(d)	\$205	1																					
3(e)	Current assets	1																					
3(f)	<table border="1"> <thead> <tr> <th data-bbox="353 754 1088 831"></th> <th data-bbox="1088 754 1503 831">Effect on gross profit</th> <th data-bbox="1503 754 1917 831">Effect on profit for the year</th> </tr> </thead> <tbody> <tr> <td data-bbox="353 831 1088 908">General expenses omitted from income statement</td> <td data-bbox="1088 831 1503 908"><i>No effect</i></td> <td data-bbox="1503 831 1917 908"><i>Overstated</i></td> </tr> <tr> <td data-bbox="353 908 1088 984">Opening inventory over-valued</td> <td data-bbox="1088 908 1503 984">Understated (1)</td> <td data-bbox="1503 908 1917 984">Understated (1)</td> </tr> <tr> <td data-bbox="353 984 1088 1061">Wages account over-added</td> <td data-bbox="1088 984 1503 1061">No Effect (1)</td> <td data-bbox="1503 984 1917 1061">Understated (1)</td> </tr> <tr> <td data-bbox="353 1061 1088 1137">Sales returns omitted from income statement</td> <td data-bbox="1088 1061 1503 1137">Overstated (1)</td> <td data-bbox="1503 1061 1917 1137">Overstated (1)</td> </tr> <tr> <td data-bbox="353 1137 1088 1214">Carriage inwards included in the expenses in the income statement</td> <td data-bbox="1088 1137 1503 1214">Overstated (1)</td> <td data-bbox="1503 1137 1917 1214">No Effect (1)</td> </tr> <tr> <td data-bbox="353 1214 1088 1297">Purchases returns added to the purchases</td> <td data-bbox="1088 1214 1503 1297">Understated (1)</td> <td data-bbox="1503 1214 1917 1297">Understated (1)</td> </tr> </tbody> </table>		Effect on gross profit	Effect on profit for the year	General expenses omitted from income statement	<i>No effect</i>	<i>Overstated</i>	Opening inventory over-valued	Understated (1)	Understated (1)	Wages account over-added	No Effect (1)	Understated (1)	Sales returns omitted from income statement	Overstated (1)	Overstated (1)	Carriage inwards included in the expenses in the income statement	Overstated (1)	No Effect (1)	Purchases returns added to the purchases	Understated (1)	Understated (1)	10
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4(c)	<p>The business is treated as being separate from the owner. (1)</p> <p><b>Example</b> Rates and insurance for personal use were excluded. (1)</p>	<b>2</b>
4(d)	<p>Should compare with a business in the same trade. Should compare with a business of approximately the same size. Should compare with a business of the same type (sole trader). The financial statements may be for one year, which will not show trends. The financial statements may be for one year which is not a typical year. The financial year may end on different dates (when inventories are high/low). The businesses may apply different accounting policies. The statements do not show non-monetary factors. It may not be possible to obtain all the information needed to make comparisons.</p> <p><b>Or other suitable points</b></p> <p><b>Any 2 points (1) for basic statement and (1) for development</b></p>	<b>4</b>

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5(a)	<p style="text-align: center;">Ben Journal</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Debit \$</th> <th style="text-align: center;">Credit \$</th> <th></th> </tr> </thead> <tbody> <tr> <td>Inventory</td> <td style="text-align: right;">15 200</td> <td></td> <td style="text-align: right;">}(1)</td> </tr> <tr> <td>Shop fittings</td> <td style="text-align: right;">14 300</td> <td></td> <td style="text-align: right;">}</td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">500</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Bank</td> <td style="text-align: right;">32 400</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>    Loan</td> <td></td> <td style="text-align: right;">15 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>    Capital</td> <td></td> <td style="text-align: right;"><u>47 400</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>62 400</u></td> <td style="text-align: right;"><u>62 400</u></td> <td></td> </tr> </tbody> </table>		Debit \$	Credit \$		Inventory	15 200		}(1)	Shop fittings	14 300		}	Cash	500		(1)	Bank	32 400		(1)	Loan		15 000	(1)	Capital		<u>47 400</u>	(1)		<u>62 400</u>	<u>62 400</u>		<b>5</b>
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5(c)	<p>Capital expenditure: Money spent on acquiring, improving and installing non-current assets. <b>(1)</b> Any suitable example, such as purchase of premises. <b>(1)</b></p> <p>Revenue expenditure: Money spent on running the business on a day-to-day basis. <b>(1)</b> Any suitable example, such as payment of wages. <b>(1)</b></p> <p>Revenue receipts: Amounts received in the day-to-day trading activities from revenue and other items of income. <b>(1)</b> Any suitable example, such as rent received. <b>(1)</b></p>	<b>6</b>																																

Question	Answer						Marks	
5(d)	Effect on assets		Effect on liabilities		Effect on profit		<b>8</b>	
	Overstated	Understated	Overstated	Understated	Overstated	Understated		
	\$	\$	\$	\$	\$	\$		
	Error 1	550	–	–	–	450		–
	Error 2	–	–	–	<b>375 (2)</b>	<b>375 (2)</b>		–
	Error 3	<b>150 (2)</b>				<b>150 (2)</b>		
	<b>For each entry – (1) for position and (1) for amount</b>							