



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

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**ACCOUNTING**

**0452/23**

Paper 2

**May/June 2019**

MARK SCHEME

Maximum Mark: 120

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**Published**

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

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 May/June 2019 series for most Cambridge IGCSE™, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

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This document consists of **14** printed pages.

**PUBLISHED****Generic Marking Principles**

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

**GENERIC MARKING PRINCIPLE 1:**

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

**GENERIC MARKING PRINCIPLE 2:**

Marks awarded are always **whole marks** (not half marks, or other fractions).

**GENERIC MARKING PRINCIPLE 3:**

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

**GENERIC MARKING PRINCIPLE 4:**

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

**GENERIC MARKING PRINCIPLE 5:**

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

**GENERIC MARKING PRINCIPLE 6:**

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Question	Answer										Marks																																																																																																				
1(a)	Annabel Cash Book										<b>13</b>																																																																																																				
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1(c)	A debit note is sent by the customer to the supplier (1) to ask for a reduction in an invoice/when goods are returned (1)  A credit note is sent by the supplier to the customer (1) to notify of a reduction in an invoice/accept returns/accept request for reduction in an invoice (1)										<b>4</b>																																																																																																				

Question	Answer	Marks
1(d)	To notify the customer of the amount outstanding/to remind the customer of the amount due To summarise the transactions for the month To provide the customer with a copy of their account for checking purposes  <b>Any 1 reason (1)</b>	<b>1</b>

Question	Answer	Marks																																																						
2(a)	<p style="text-align: center;">NS Musical Society Subscriptions account</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td></td> <td></td> <td>2018</td> <td></td> <td></td> </tr> <tr> <td>Feb 1</td> <td>Balance b/d (1)</td> <td>100</td> <td>Feb 1</td> <td>Balance b/d (1)</td> <td>250</td> </tr> <tr> <td>2019</td> <td></td> <td></td> <td>2019</td> <td></td> <td></td> </tr> <tr> <td>Jan 31</td> <td>Income and expenditure (1)</td> <td>3 000</td> <td>Jan 31</td> <td>*Bank/Cash (1)</td> <td>3 050</td> </tr> <tr> <td></td> <td>Balance c/d</td> <td>200</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>3 300</td> <td></td> <td></td> <td>3 300</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2019</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Feb 1</td> <td>Balance b/d (1)</td> <td>200</td> </tr> </tbody> </table> <p><b>+ (1) dates</b></p>	Date	Details	\$	Date	Details	\$	2018			2018			Feb 1	Balance b/d (1)	100	Feb 1	Balance b/d (1)	250	2019			2019			Jan 31	Income and expenditure (1)	3 000	Jan 31	*Bank/Cash (1)	3 050		Balance c/d	200						3 300			3 300				2019						Feb 1	Balance b/d (1)	200	<b>7</b>
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Purchases of finished goods	<u>12 400</u>	(1)																																																
	121 900																																																	
Closing inventory of finished goods	<u>8 900</u>	(1)	<u>113 000</u>	(1)OF																																														
Gross profit			<u>28 250</u>	(1)OF																																														
3(c)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Error</th> <th style="width: 15%;">effect on cost of production</th> <th style="width: 15%;">effect on gross profit</th> <th style="width: 15%;">effect on profit for the year</th> </tr> </thead> <tbody> <tr> <td>Returns of finished goods to the supplier, \$1 200, had not been recorded</td> <td style="text-align: center;"><i>no effect</i></td> <td style="text-align: center;"><i>understated</i></td> <td style="text-align: center;"><i>understated</i></td> </tr> <tr> <td>Operating expenses accrued were \$850 not \$550</td> <td style="text-align: center;">understated (1)</td> <td style="text-align: center;">overstated (1)</td> <td style="text-align: center;">overstated (1)</td> </tr> <tr> <td>Salesman's commission, \$1 850, had been included in indirect factory wages</td> <td style="text-align: center;">overstated (1)</td> <td style="text-align: center;">understated (1)</td> <td style="text-align: center;">no effect (1)</td> </tr> </tbody> </table>				Error	effect on cost of production	effect on gross profit	effect on profit for the year	Returns of finished goods to the supplier, \$1 200, had not been recorded	<i>no effect</i>	<i>understated</i>	<i>understated</i>	Operating expenses accrued were \$850 not \$550	understated (1)	overstated (1)	overstated (1)	Salesman's commission, \$1 850, had been included in indirect factory wages	overstated (1)	understated (1)	no effect (1)	6																													
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4(b)	$\frac{(25850 - 5150)}{(1890 + 2040) / 2} = \frac{20700 (1)}{1965 (1)} = 10.53 \text{ times } (1)$	<b>3</b>																																																																																																												

Question	Answer	Marks
4(c)	<p><b>If answer to 4(b) is below 11.50 times</b> Unsatisfied (1) Goods are not being sold as quickly as in the previous year/lower sales/increased inventory (1)</p> <p><b>If answer to 4(b) is above 11.50 times</b> Satisfied (1) Goods are being sold more quickly than in the previous year/increased sales/decreased inventory (1)</p>	<b>2</b>
4(d)	<p>Increase sales activity/higher sales Reduce level of inventory</p> <p><b>Or other suitable point</b> <b>Any 2 points (1) each</b></p>	<b>2</b>
4(e)	<p>To apply the principle of prudence To ensure that the profit for the year is not overstated To ensure that the inventory/current assets are not overstated To apply the principle of consistency To apply the principle of accruals (matching)</p> <p><b>Any 2 reasons (1) each</b></p>	<b>2</b>

Question	Answer			Marks	
4(f)		overstated	understated	4	
	current assets at 31 January 2019	✓			
	gross profit for the year ended 31 January 2019	✓			(1)
	capital at 31 January 2019	✓			(1)
	cost of sales for the year ending 31 January 2020	✓			(1)
	profit for the year ending 31 January 2020		✓		(1)

Question	Answer	Marks
5(a)(i)	$\frac{7250}{118000} \times \frac{365}{1}$ } (1) whole formula = 22.43 = 23 days (1)	2
5(a)(ii)	<p>Improve credit control  Issue invoices and statements promptly  Offer cash discount for prompt payment  Charge interest on overdue accounts  Refuse further supplies until outstanding balance is paid  Invoice discounting and debt factoring</p> <p><b>Any two methods (1) each</b></p>	2

Question	Answer	Marks
5(b)(i)	$\frac{6600}{94000} \times \frac{365}{1} \} \text{(1) whole formula} = 25.63 = 26 \text{ days(1)}$	<b>2</b>
5(b)(ii)	<p><b>If answer to 5(b)(i) is less than 30 days</b>  Is deprived of the use of the money within the business earlier than previously  Relationship with trade payables may be improved  May be entitled to cash discount  Will avoid being charged interest on overdue accounts</p> <p><b>If answer to 5(b)(i) is more than 30 days</b>  Has use of money for a longer period  Relationship with trade payables may deteriorate  Will lose cash discount  May be charged interest on overdue accounts</p> <p><b>Any 2 points (1) each</b></p>	<b>2</b>
5(c)(i)	$\frac{(118000 - 94350)}{118000} \times \frac{100}{1} = \frac{23650}{118000} \times \frac{100}{1} \} \text{whole formula (1) = 20.04\% (1)}$	<b>2</b>
5(c)(ii)	$\frac{9900}{118000} \times \frac{100}{1} \} \text{whole formula (1) = 8.39\% (1)}$	<b>2</b>
5(c)(iii)	<p><b>Either</b> <math display="block">\frac{14100}{271000} \times \frac{100}{1} = 5.20\% \text{ (1)}</math></p> <p><b>Or</b> <math display="block">\frac{9900}{271000} \times \frac{100}{1} = 3.65\% \text{ (1)}</math></p>	<b>2</b>

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5(d)	<p style="text-align: center;">Raj                      Statement of corrected profit for the year ended 31 March 2019</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: right;">\$</td> <td style="width: 10%;"></td> </tr> <tr> <td style="padding-left: 20px;">Draft profit for the year before corrections</td> <td></td> <td style="text-align: right;">8 550</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">Increase in profit \$</td> <td style="text-align: center;">Decrease in profit \$</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Error 1</td> <td style="text-align: right;">180</td> <td></td> <td style="text-align: right;">(2)*</td> </tr> <tr> <td style="padding-left: 20px;">Error 2</td> <td></td> <td style="text-align: right;">2 400</td> <td style="text-align: right;">(2)*</td> </tr> <tr> <td style="padding-left: 20px;">Error 3</td> <td></td> <td style="text-align: right;">300</td> <td style="text-align: right;">(2)*</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">180</td> <td style="text-align: right; border-top: 1px solid black;">2 700</td> <td style="text-align: right; border-top: 1px solid black;">2 520</td> </tr> <tr> <td style="padding-left: 20px;">Corrected profit for the year</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">6 030</td> <td style="text-align: right;">(1)OF</td> </tr> </table> <p><b>* (1) for position and (1) for amount</b></p>			\$		Draft profit for the year before corrections		8 550			Increase in profit \$	Decrease in profit \$		Error 1	180		(2)*	Error 2		2 400	(2)*	Error 3		300	(2)*		180	2 700	2 520	Corrected profit for the year		6 030	(1)OF	<b>7</b>
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