



Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

ACCOUNTING

0452/22

Paper 2

October/November 2019

MARK SCHEME

Maximum Mark: 120

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 October/November 2019 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

This document consists of **20** printed pages.

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)	<p style="text-align: center;">Tebogo Sales Journal</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>\$</th> <th></th> </tr> </thead> <tbody> <tr> <td>2019 Aug 6</td> <td>Kayla Less 20% trade discount</td> <td>1400 <u>280</u></td> <td>1120</td> <td>(1)</td> </tr> <tr> <td>18</td> <td>Nyack</td> <td></td> <td>620</td> <td>}</td> </tr> <tr> <td>30</td> <td>Kayla</td> <td></td> <td>160</td> <td>}(1)</td> </tr> <tr> <td>31</td> <td>Transfer to sales account</td> <td></td> <td><u>1900</u></td> <td>} OF</td> </tr> </tbody> </table> <p style="text-align: center;">Tebogo Sales Returns Journal</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>\$</th> <th></th> </tr> </thead> <tbody> <tr> <td>2019 Aug 12</td> <td>Kayla Less 20% trade discount</td> <td>300 <u>60</u></td> <td>240</td> <td>(1)</td> </tr> <tr> <td>24</td> <td>Nyack</td> <td></td> <td>155</td> <td>}</td> </tr> <tr> <td>31</td> <td>Transfer to sales returns account</td> <td></td> <td><u>395</u></td> <td>}(1) OF</td> </tr> </tbody> </table>	Date	Details	\$	\$		2019 Aug 6	Kayla Less 20% trade discount	1400 <u>280</u>	1120	(1)	18	Nyack		620	}	30	Kayla		160	}(1)	31	Transfer to sales account		<u>1900</u>	} OF	Date	Details	\$	\$		2019 Aug 12	Kayla Less 20% trade discount	300 <u>60</u>	240	(1)	24	Nyack		155	}	31	Transfer to sales returns account		<u>395</u>	}(1) OF	5
Date	Details	\$	\$																																												
2019 Aug 6	Kayla Less 20% trade discount	1400 <u>280</u>	1120	(1)																																											
18	Nyack		620	}																																											
30	Kayla		160	}(1)																																											
31	Transfer to sales account		<u>1900</u>	} OF																																											
Date	Details	\$	\$																																												
2019 Aug 12	Kayla Less 20% trade discount	300 <u>60</u>	240	(1)																																											
24	Nyack		155	}																																											
31	Transfer to sales returns account		<u>395</u>	}(1) OF																																											

Question	Answer						Marks																																																																	
1(b)	Tebogo Kayla account						8																																																																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 15%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td></td> <td></td> <td>2019</td> <td></td> <td></td> </tr> <tr> <td>Aug 1</td> <td>Balance b/d</td> <td style="text-align: right;">900</td> <td>Aug 12</td> <td>Sales returns</td> <td></td> </tr> <tr> <td>6</td> <td>Sales OF }(1)</td> <td style="text-align: right;">1120</td> <td></td> <td style="text-align: right;">(1)OF</td> <td style="text-align: right;">240</td> </tr> <tr> <td>30</td> <td>Sales CF }</td> <td style="text-align: right;">160</td> <td>29</td> <td>Bank }(1)</td> <td style="text-align: right;">882</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Discount }</td> <td style="text-align: right;">18</td> </tr> <tr> <td></td> <td></td> <td></td> <td>31</td> <td>Balance c/d</td> <td style="text-align: right;"><u>1040</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>2180</u></td> <td></td> <td></td> <td style="text-align: right;"><u>2180</u></td> </tr> <tr> <td>2019</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Sept 1</td> <td>Balance b/d</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">(1)OF</td> <td style="text-align: right;">1040</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>							Date	Details	\$	Date	Details	\$	2019			2019			Aug 1	Balance b/d	900	Aug 12	Sales returns		6	Sales OF } (1)	1120		(1)OF	240	30	Sales CF }	160	29	Bank } (1)	882					Discount }	18				31	Balance c/d	<u>1040</u>			<u>2180</u>			<u>2180</u>	2019						Sept 1	Balance b/d						(1)OF	1040			
Date	Details	\$	Date	Details	\$																																																																			
2019			2019																																																																					
Aug 1	Balance b/d	900	Aug 12	Sales returns																																																																				
6	Sales OF } (1)	1120		(1)OF	240																																																																			
30	Sales CF }	160	29	Bank } (1)	882																																																																			
				Discount }	18																																																																			
			31	Balance c/d	<u>1040</u>																																																																			
		<u>2180</u>			<u>2180</u>																																																																			
2019																																																																								
Sept 1	Balance b/d																																																																							
	(1)OF	1040																																																																						
Sales account																																																																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 15%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td></td> <td></td> <td>2019</td> <td></td> <td></td> </tr> <tr> <td>Aug 31</td> <td>Income statement</td> <td></td> <td>Aug 1</td> <td>Total sales to date</td> <td style="text-align: right;">21 400</td> </tr> <tr> <td></td> <td style="text-align: right;">(1)OF</td> <td style="text-align: right;"><u>23 300</u></td> <td>31</td> <td>Total for month</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>23 300</u></td> <td></td> <td style="text-align: right;">(1)OF</td> <td style="text-align: right;"><u>1900</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>23 300</u></td> </tr> </tbody> </table>							Date	Details	\$	Date	Details	\$	2019			2019			Aug 31	Income statement		Aug 1	Total sales to date	21 400		(1)OF	<u>23 300</u>	31	Total for month				<u>23 300</u>		(1)OF	<u>1900</u>						<u>23 300</u>																														
Date	Details	\$	Date	Details	\$																																																																			
2019			2019																																																																					
Aug 31	Income statement		Aug 1	Total sales to date	21 400																																																																			
	(1)OF	<u>23 300</u>	31	Total for month																																																																				
		<u>23 300</u>		(1)OF	<u>1900</u>																																																																			
					<u>23 300</u>																																																																			

Question	Answer	Marks																														
1(b)	<p style="text-align: center;">Sales returns account</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date 2019</th> <th>Details</th> <th>\$</th> <th>Date 2019</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>Aug 1</td> <td>Total returns to date</td> <td>1560</td> <td>Aug 31</td> <td>Income statement</td> <td></td> </tr> <tr> <td></td> <td>Total for month</td> <td></td> <td></td> <td style="text-align: right;">(1)OF</td> <td>1955</td> </tr> <tr> <td></td> <td style="text-align: right;">(1)OF</td> <td style="text-align: center;"><u>395</u></td> <td></td> <td></td> <td style="text-align: center;"><u>1955</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;"><u>1955</u></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date 2019	Details	\$	Date 2019	Details	\$	Aug 1	Total returns to date	1560	Aug 31	Income statement			Total for month			(1)OF	1955		(1)OF	<u>395</u>			<u>1955</u>			<u>1955</u>				
Date 2019	Details	\$	Date 2019	Details	\$																											
Aug 1	Total returns to date	1560	Aug 31	Income statement																												
	Total for month			(1)OF	1955																											
	(1)OF	<u>395</u>			<u>1955</u>																											
		<u>1955</u>																														
1(c)(i)	<p>Effect on profit – May increase (1) Reason – amount of discount allowed/expense decreases (1) OR Credit customers may not pay in time to receive cash discount as incentive of cash discount now reduced (1) OR Effect on profit – May decrease (1) Reason – credit customers may find another supplier offering better terms (1)</p> <p>Or other suitable reason</p>	2																														

Question	Answer	Marks
1(c)(ii)	Effect on liquidity – May decrease (1) Reason – Credit customers may take longer to pay as incentive of cash discount now reduced (1) OR Credit customers may find another supplier offering better terms (1) OR Effect on liquidity – May increase (1) Reason – Credit customers will pay more because cash discount reduced (1) Or Credit customers may pay quicker as credit period reduced (1) Or other suitable reason	2

Question	Answer			Marks																											
2(a)		<table border="1"> <thead> <tr> <th data-bbox="636 252 1234 363">Payment</th> <th data-bbox="1234 252 1442 363">Capital expenditure</th> <th data-bbox="1442 252 1648 363">Revenue expenditure</th> </tr> </thead> <tbody> <tr> <td data-bbox="636 363 1234 432">Premises</td> <td data-bbox="1234 363 1442 432">✓}(1)</td> <td data-bbox="1442 363 1648 432"></td> </tr> <tr> <td data-bbox="636 432 1234 501">Office furniture</td> <td data-bbox="1234 432 1442 501">✓}</td> <td data-bbox="1442 432 1648 501"></td> </tr> <tr> <td data-bbox="636 501 1234 569">Carriage on office furniture</td> <td data-bbox="1234 501 1442 569">✓(1)</td> <td data-bbox="1442 501 1648 569"></td> </tr> <tr> <td data-bbox="636 569 1234 638">Stationery and small office equipment</td> <td data-bbox="1234 569 1442 638"></td> <td data-bbox="1442 569 1648 638">✓(1)</td> </tr> <tr> <td data-bbox="636 638 1234 707">Legal expenses on purchase of premises</td> <td data-bbox="1234 638 1442 707">✓(1)</td> <td data-bbox="1442 638 1648 707"></td> </tr> <tr> <td data-bbox="636 707 1234 775">Computer equipment</td> <td data-bbox="1234 707 1442 775">✓}(1)</td> <td data-bbox="1442 707 1648 775"></td> </tr> <tr> <td data-bbox="636 775 1234 844">Installation of computer equipment</td> <td data-bbox="1234 775 1442 844">✓}</td> <td data-bbox="1442 775 1648 844"></td> </tr> <tr> <td data-bbox="636 844 1234 927">Ink cartridges and printer paper</td> <td data-bbox="1234 844 1442 927"></td> <td data-bbox="1442 844 1648 927">✓(1)</td> </tr> </tbody> </table>	Payment	Capital expenditure	Revenue expenditure	Premises	✓}(1)		Office furniture	✓}		Carriage on office furniture	✓(1)		Stationery and small office equipment		✓(1)	Legal expenses on purchase of premises	✓(1)		Computer equipment	✓}(1)		Installation of computer equipment	✓}		Ink cartridges and printer paper		✓(1)		6
Payment	Capital expenditure	Revenue expenditure																													
Premises	✓}(1)																														
Office furniture	✓}																														
Carriage on office furniture	✓(1)																														
Stationery and small office equipment		✓(1)																													
Legal expenses on purchase of premises	✓(1)																														
Computer equipment	✓}(1)																														
Installation of computer equipment	✓}																														
Ink cartridges and printer paper		✓(1)																													
2(b)	Straight line (fixed instalment) Revaluation Any 1 method (1)			1																											

Question	Answer						Marks																																																						
2(c)	<p style="text-align: center;">Amelia Computer equipment 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>2017 April 1</td> <td>Bank (1)</td> <td>1700</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p style="text-align: center;">Provision for depreciation of computer equipment 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 Mar 31</td> <td>Balance c/d</td> <td>510</td> <td>2018 Mar 31</td> <td>Income statement (1)OF</td> <td><u>510</u></td> </tr> <tr> <td></td> <td></td> <td><u>510</u></td> <td></td> <td></td> <td><u>510</u></td> </tr> <tr> <td>2019 Mar 31</td> <td>Balance c/d</td> <td>867</td> <td>2018 April 1</td> <td>Balance b/d (1)OF</td> <td>510</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2019 Mar 31</td> <td>Income statement (1)OF</td> <td><u>357</u></td> </tr> <tr> <td></td> <td></td> <td><u>867</u></td> <td></td> <td></td> <td><u>867</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>2019 April 1</td> <td>Balance b/d (1)OF</td> <td>867</td> </tr> </tbody> </table> <p>+ (1) Dates</p>						Date	Details	\$	Date	Details	\$	2017 April 1	Bank (1)	1700				Date	Details	\$	Date	Details	\$	2018 Mar 31	Balance c/d	510	2018 Mar 31	Income statement (1)OF	<u>510</u>			<u>510</u>			<u>510</u>	2019 Mar 31	Balance c/d	867	2018 April 1	Balance b/d (1)OF	510				2019 Mar 31	Income statement (1)OF	<u>357</u>			<u>867</u>			<u>867</u>				2019 April 1	Balance b/d (1)OF	867	6
Date	Details	\$	Date	Details	\$																																																								
2017 April 1	Bank (1)	1700																																																											
Date	Details	\$	Date	Details	\$																																																								
2018 Mar 31	Balance c/d	510	2018 Mar 31	Income statement (1)OF	<u>510</u>																																																								
		<u>510</u>			<u>510</u>																																																								
2019 Mar 31	Balance c/d	867	2018 April 1	Balance b/d (1)OF	510																																																								
			2019 Mar 31	Income statement (1)OF	<u>357</u>																																																								
		<u>867</u>			<u>867</u>																																																								
			2019 April 1	Balance b/d (1)OF	867																																																								

Question	Answer	Marks																		
2(d)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td>Cost (3450 + 50)</td> <td style="text-align: right;">3500</td> <td></td> </tr> <tr> <td>Depreciation for year ended 31 March 2018</td> <td style="text-align: right;"><u>700</u> (1)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">2800</td> <td></td> </tr> <tr> <td>Depreciation for year ended 31 March 2019</td> <td style="text-align: right;"><u>560</u>(1)</td> <td></td> </tr> <tr> <td colspan="3">Total depreciation \$700 + \$560 = \$1260 (1)OF</td> </tr> </table>		\$		Cost (3450 + 50)	3500		Depreciation for year ended 31 March 2018	<u>700</u> (1)			2800		Depreciation for year ended 31 March 2019	<u>560</u> (1)		Total depreciation \$700 + \$560 = \$1260 (1)OF			3
	\$																			
Cost (3450 + 50)	3500																			
Depreciation for year ended 31 March 2018	<u>700</u> (1)																			
	2800																			
Depreciation for year ended 31 March 2019	<u>560</u> (1)																			
Total depreciation \$700 + \$560 = \$1260 (1)OF																				
2(e)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td>Cost</td> <td style="text-align: right;">3500 (1)</td> <td></td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;"><u>1260</u> (1)OF</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">2240</td> <td></td> </tr> <tr> <td>Proceeds of sale</td> <td style="text-align: right;"><u>1750</u></td> <td></td> </tr> <tr> <td>Loss (1) on disposal</td> <td style="text-align: right;"><u>490</u> (1)OF</td> <td></td> </tr> </table>		\$		Cost	3500 (1)		Depreciation	<u>1260</u> (1)OF			2240		Proceeds of sale	<u>1750</u>		Loss (1) on disposal	<u>490</u> (1)OF		4
	\$																			
Cost	3500 (1)																			
Depreciation	<u>1260</u> (1)OF																			
	2240																			
Proceeds of sale	<u>1750</u>																			
Loss (1) on disposal	<u>490</u> (1)OF																			

Question	Answer						Marks																													
3(a)	KS Sports Club Subscriptions account						6																													
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 25%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 15%;">Date</th> <th style="width: 25%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>2018 Aug 1</td> <td>Balance b/d (1)</td> <td style="text-align: right;">250</td> <td>2018 Aug 1</td> <td>Balance b/d (1)</td> <td style="text-align: right;">100</td> </tr> <tr> <td>2019 July 31</td> <td>Income and expenditure (1)</td> <td style="text-align: right;">7500</td> <td>2019 31 July</td> <td>Bank/cash (1)OF</td> <td style="text-align: right;">7850</td> </tr> <tr> <td></td> <td>Balance c/d</td> <td style="text-align: right;"><u>200</u></td> <td></td> <td></td> <td style="text-align: right;"><u>7950</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>7950</u></td> <td>2019 Aug 1</td> <td>Balance b/d (1)</td> <td style="text-align: right;">200</td> </tr> </tbody> </table>							Date	Details	\$	Date	Details	\$	2018 Aug 1	Balance b/d (1)	250	2018 Aug 1	Balance b/d (1)	100	2019 July 31	Income and expenditure (1)	7500	2019 31 July	Bank/cash (1)OF	7850		Balance c/d	<u>200</u>			<u>7950</u>			<u>7950</u>	2019 Aug 1	Balance b/d (1)	200
Date	Details	\$	Date	Details	\$																															
2018 Aug 1	Balance b/d (1)	250	2018 Aug 1	Balance b/d (1)	100																															
2019 July 31	Income and expenditure (1)	7500	2019 31 July	Bank/cash (1)OF	7850																															
	Balance c/d	<u>200</u>			<u>7950</u>																															
		<u>7950</u>	2019 Aug 1	Balance b/d (1)	200																															
+ (1) Dates																																				

Question	Answer						Marks																																																																							
3(b)	KS Sports Club Receipts and Payments Account for the year ended 31 July 2019						13																																																																							
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date 2019</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;">Date 2018</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>July 31</td> <td>Subscriptions (1)OF</td> <td>7850</td> <td>Aug 1</td> <td>Balance b/d (1)</td> <td>2620</td> </tr> <tr> <td></td> <td>Loan (1)</td> <td>1000</td> <td>2019</td> <td>AB Loan (1)</td> <td>2000</td> </tr> <tr> <td></td> <td>Disposal of equipment (1)</td> <td>870</td> <td>July 31</td> <td>Loan interest (1)</td> <td>100</td> </tr> <tr> <td></td> <td>Tournament receipts (1)</td> <td>525</td> <td></td> <td>General expenses (1)</td> <td>435</td> </tr> <tr> <td></td> <td>Balance c/d</td> <td>2730</td> <td></td> <td>Rates and insurance (1)</td> <td>3120</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Sports equipment (1)</td> <td>4150</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Equipment repairs (1)</td> <td>215</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Tournament expenses (1)</td> <td><u>335</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>12 975</u></td> <td></td> <td></td> <td><u>12 975</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>2019</td> <td>Balance b/d (1)OF</td> <td>2730</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Aug 1</td> <td></td> <td></td> </tr> </tbody> </table>							Date 2019	Details	\$	Date 2018	Details	\$	July 31	Subscriptions (1)OF	7850	Aug 1	Balance b/d (1)	2620		Loan (1)	1000	2019	AB Loan (1)	2000		Disposal of equipment (1)	870	July 31	Loan interest (1)	100		Tournament receipts (1)	525		General expenses (1)	435		Balance c/d	2730		Rates and insurance (1)	3120					Sports equipment (1)	4150					Equipment repairs (1)	215					Tournament expenses (1)	<u>335</u>			<u>12 975</u>			<u>12 975</u>				2019	Balance b/d (1)OF	2730				Aug 1		
Date 2019	Details	\$	Date 2018	Details	\$																																																																									
July 31	Subscriptions (1)OF	7850	Aug 1	Balance b/d (1)	2620																																																																									
	Loan (1)	1000	2019	AB Loan (1)	2000																																																																									
	Disposal of equipment (1)	870	July 31	Loan interest (1)	100																																																																									
	Tournament receipts (1)	525		General expenses (1)	435																																																																									
	Balance c/d	2730		Rates and insurance (1)	3120																																																																									
				Sports equipment (1)	4150																																																																									
				Equipment repairs (1)	215																																																																									
				Tournament expenses (1)	<u>335</u>																																																																									
		<u>12 975</u>			<u>12 975</u>																																																																									
			2019	Balance b/d (1)OF	2730																																																																									
			Aug 1																																																																											

Question	Answer			Marks																																																																												
4(a)	<p style="text-align: center;">Mariam Statement of Affairs at 30 September 2019</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Assets</th> <th style="width: 15%;">\$ Cost</th> <th style="width: 15%;">\$ Accumulated depreciation</th> <th style="width: 10%;">\$ Book value</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Premises</td> <td style="text-align: right;">80 000</td> <td></td> <td style="text-align: right;">80 000</td> </tr> <tr> <td>Fixtures and fittings</td> <td style="text-align: right;">7 800</td> <td style="text-align: right;">1 170 (1)</td> <td style="text-align: right;">6 630(1)OF</td> </tr> <tr> <td>Motor vehicle</td> <td style="text-align: right;"><u>10 000</u></td> <td style="text-align: right;"><u>2 000 (1)</u></td> <td style="text-align: right;"><u>8 000(1)OF</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>97 800</u></td> <td style="text-align: right;"><u>3 170</u></td> <td style="text-align: right;"><u>94 630(1)OF</u></td> </tr> <tr> <td>Current assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Inventory</td> <td></td> <td></td> <td style="text-align: right;">5 840 (1)</td> </tr> <tr> <td>Trade receivables</td> <td></td> <td style="text-align: right;">6 450</td> <td></td> </tr> <tr> <td>Less Debt written off</td> <td></td> <td style="text-align: right;"><u>150</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">6 300 (1)</td> <td></td> </tr> <tr> <td>Less Provision for doubtful debts</td> <td></td> <td style="text-align: right;"><u>315 (1)</u></td> <td style="text-align: right;">5 985(1)OF</td> </tr> <tr> <td>Bank</td> <td></td> <td></td> <td style="text-align: right;"><u>6 787(1)</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>18 612</u></td> </tr> <tr> <td>Total assets</td> <td></td> <td></td> <td style="text-align: right;"><u>113 242</u></td> </tr> <tr> <td>Capital and liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Capital account</td> <td></td> <td></td> <td style="text-align: right;"><u>91 882(1)OF</u></td> </tr> <tr> <td>Non-current liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Loan</td> <td></td> <td></td> <td style="text-align: right;"><u>7 000 (1)</u></td> </tr> </tbody> </table>			Assets	\$ Cost	\$ Accumulated depreciation	\$ Book value	Non-current assets				Premises	80 000		80 000	Fixtures and fittings	7 800	1 170 (1)	6 630(1)OF	Motor vehicle	<u>10 000</u>	<u>2 000 (1)</u>	<u>8 000(1)OF</u>		<u>97 800</u>	<u>3 170</u>	<u>94 630(1)OF</u>	Current assets				Inventory			5 840 (1)	Trade receivables		6 450		Less Debt written off		<u>150</u>				6 300 (1)		Less Provision for doubtful debts		<u>315 (1)</u>	5 985(1)OF	Bank			<u>6 787(1)</u>				<u>18 612</u>	Total assets			<u>113 242</u>	Capital and liabilities				Capital account			<u>91 882(1)OF</u>	Non-current liabilities				Loan			<u>7 000 (1)</u>	15
Assets	\$ Cost	\$ Accumulated depreciation	\$ Book value																																																																													
Non-current assets																																																																																
Premises	80 000		80 000																																																																													
Fixtures and fittings	7 800	1 170 (1)	6 630(1)OF																																																																													
Motor vehicle	<u>10 000</u>	<u>2 000 (1)</u>	<u>8 000(1)OF</u>																																																																													
	<u>97 800</u>	<u>3 170</u>	<u>94 630(1)OF</u>																																																																													
Current assets																																																																																
Inventory			5 840 (1)																																																																													
Trade receivables		6 450																																																																														
Less Debt written off		<u>150</u>																																																																														
		6 300 (1)																																																																														
Less Provision for doubtful debts		<u>315 (1)</u>	5 985(1)OF																																																																													
Bank			<u>6 787(1)</u>																																																																													
			<u>18 612</u>																																																																													
Total assets			<u>113 242</u>																																																																													
Capital and liabilities																																																																																
Capital account			<u>91 882(1)OF</u>																																																																													
Non-current liabilities																																																																																
Loan			<u>7 000 (1)</u>																																																																													

Question	Answer						Marks																																				
4(a)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; padding: 5px;">Current Liabilities</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 33%;"></td> <td style="width: 6%;"></td> </tr> <tr> <td style="padding: 5px;">Trade payables</td> <td></td> <td></td> <td></td> <td style="text-align: right; padding: 5px;">7100(1)</td> <td></td> </tr> <tr> <td style="padding: 5px;">Other payables</td> <td></td> <td></td> <td></td> <td style="text-align: right; padding: 5px;">260 (1)</td> <td></td> </tr> <tr> <td style="padding: 5px;">Short term loan</td> <td></td> <td></td> <td></td> <td style="text-align: right; padding: 5px;"><u>7000(1)</u></td> <td></td> </tr> <tr> <td colspan="4" style="padding: 5px;">Total capital and liabilities</td> <td style="text-align: right; padding: 5px;"><u>14 360</u></td> <td></td> </tr> <tr> <td colspan="4"></td> <td style="text-align: right; padding: 5px;"><u>113 242</u></td> <td></td> </tr> </table>						Current Liabilities						Trade payables				7100(1)		Other payables				260 (1)		Short term loan				<u>7000(1)</u>		Total capital and liabilities				<u>14 360</u>						<u>113 242</u>		
Current Liabilities																																											
Trade payables				7100(1)																																							
Other payables				260 (1)																																							
Short term loan				<u>7000(1)</u>																																							
Total capital and liabilities				<u>14 360</u>																																							
				<u>113 242</u>																																							
4(b)	Mariam Capital account						5																																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2019 Sept 30</td> <td style="padding-left: 20px;">Drawings (1)</td> <td style="text-align: right;">3125</td> <td style="text-align: center;">2018 Oct 1</td> <td style="padding-left: 20px;">Balance b/d (1)</td> <td style="text-align: right;">89 000</td> </tr> <tr> <td></td> <td style="padding-left: 20px;">Balance c/d (1)OF</td> <td style="text-align: right;">91 882</td> <td style="text-align: center;">2019 Sept 30</td> <td style="padding-left: 20px;">Bank (1)</td> <td style="text-align: right;">5000</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>95 007</u></td> <td></td> <td style="padding-left: 20px;">Profit (1)OF</td> <td style="text-align: right;"><u>1007</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>95 007</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">2019 Oct 1</td> <td style="padding-left: 20px;">Balance b/d</td> <td style="text-align: right;">91 882</td> </tr> </tbody> </table>							Date	Details	\$	Date	Details	\$	2019 Sept 30	Drawings (1)	3125	2018 Oct 1	Balance b/d (1)	89 000		Balance c/d (1)OF	91 882	2019 Sept 30	Bank (1)	5000			<u>95 007</u>		Profit (1)OF	<u>1007</u>						<u>95 007</u>				2019 Oct 1	Balance b/d	91 882	
Date	Details	\$	Date	Details	\$																																						
2019 Sept 30	Drawings (1)	3125	2018 Oct 1	Balance b/d (1)	89 000																																						
	Balance c/d (1)OF	91 882	2019 Sept 30	Bank (1)	5000																																						
		<u>95 007</u>		Profit (1)OF	<u>1007</u>																																						
					<u>95 007</u>																																						
			2019 Oct 1	Balance b/d	91 882																																						

Question	Answer	Marks
4(c)	Full details are available about the assets, liabilities, revenues and expenses of the business/detailed records are available for reference purposes The preparation of financial statements is relatively straightforward The calculation of the profit or loss for the year is likely to be reliable and accurate More informed decision-making is possible A greater degree of control over business activities can be exercised The possibility of fraud is reduced Information required by a bank or other lender is readily available Or other suitable points Any 2 advantages (1) each	2

Question	Answer				Marks																																														
5(a)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" data-bbox="640 264 1637 333">Entry required to correct the error</th> </tr> <tr> <th colspan="3" data-bbox="640 333 1178 402">Debit</th> <th colspan="2" data-bbox="1178 333 1637 402">Credit</th> </tr> <tr> <th colspan="2" data-bbox="640 402 1037 470">account</th> <th data-bbox="1037 402 1178 470">\$</th> <th colspan="2" data-bbox="1178 402 1487 470">account</th> <th data-bbox="1487 402 1637 470">\$</th> </tr> </thead> <tbody> <tr> <td data-bbox="640 470 719 587">1</td> <td data-bbox="719 470 1037 587">sales sales returns</td> <td data-bbox="1037 470 1178 587">990 990</td> <td data-bbox="1178 470 1487 587">suspense</td> <td colspan="2" data-bbox="1487 470 1637 587">1980</td> </tr> <tr> <td data-bbox="640 587 719 694">2</td> <td data-bbox="719 587 1037 694">Nadia</td> <td data-bbox="1037 587 1178 694">65 (1)</td> <td data-bbox="1178 587 1487 694">Nadira</td> <td colspan="2" data-bbox="1487 587 1637 694">65 (1)</td> </tr> <tr> <td data-bbox="640 694 719 801">3</td> <td data-bbox="719 694 1037 801">drawings</td> <td data-bbox="1037 694 1178 801">150 (1)</td> <td data-bbox="1178 694 1487 801">purchases</td> <td colspan="2" data-bbox="1487 694 1637 801">150 (1)</td> </tr> <tr> <td data-bbox="640 801 719 908">4</td> <td data-bbox="719 801 1037 908">no entry</td> <td data-bbox="1037 801 1178 908">– (1)</td> <td data-bbox="1178 801 1487 908">suspense</td> <td colspan="2" data-bbox="1487 801 1637 908">4100 (1)</td> </tr> <tr> <td data-bbox="640 908 719 1050">5</td> <td data-bbox="719 908 1037 1050">discount received discount allowed</td> <td data-bbox="1037 908 1178 1050">340 (1) 430 (1)</td> <td data-bbox="1178 908 1487 1050">suspense</td> <td colspan="2" data-bbox="1487 908 1637 1050">770 (1)</td> </tr> </tbody> </table>				Entry required to correct the error					Debit			Credit		account		\$	account		\$	1	sales sales returns	990 990	suspense	1980		2	Nadia	65 (1)	Nadira	65 (1)		3	drawings	150 (1)	purchases	150 (1)		4	no entry	– (1)	suspense	4100 (1)		5	discount received discount allowed	340 (1) 430 (1)	suspense	770 (1)		9
Entry required to correct the error																																																			
Debit			Credit																																																
account		\$	account		\$																																														
1	sales sales returns	990 990	suspense	1980																																															
2	Nadia	65 (1)	Nadira	65 (1)																																															
3	drawings	150 (1)	purchases	150 (1)																																															
4	no entry	– (1)	suspense	4100 (1)																																															
5	discount received discount allowed	340 (1) 430 (1)	suspense	770 (1)																																															
5(b)	<p>No (1) The errors discovered will not cancel out the original difference on the trial balance of \$7000/the suspense account will still have a balance (1)</p>				2																																														

Question	Answer				Marks																																													
5(c)	<p style="text-align: center;">Sabir</p> <p style="text-align: center;">Statement of corrected profit for the year ended 30 September 2019</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th data-bbox="618 331 981 440">Draft profit for the year before corrections</th> <th data-bbox="981 331 1144 440"></th> <th data-bbox="1144 331 1305 440"></th> <th data-bbox="1305 331 1509 440"></th> <th data-bbox="1509 331 1659 440">\$31 400</th> </tr> <tr> <th data-bbox="618 440 981 542"></th> <th data-bbox="981 440 1144 542">No effect on profit</th> <th data-bbox="1144 440 1305 542">Increase in profit</th> <th data-bbox="1305 440 1509 542">Decrease in profit</th> <th data-bbox="1509 440 1659 542"></th> </tr> </thead> <tbody> <tr> <td data-bbox="618 542 981 644">Error 1</td> <td data-bbox="981 542 1144 644"></td> <td data-bbox="1144 542 1305 644"></td> <td data-bbox="1305 542 1509 644">\$990 (1) \$990 (1)</td> <td data-bbox="1509 542 1659 644"></td> </tr> <tr> <td data-bbox="618 644 981 713">Error 2</td> <td data-bbox="981 644 1144 713">✓(1)</td> <td data-bbox="1144 644 1305 713"></td> <td data-bbox="1305 644 1509 713"></td> <td data-bbox="1509 644 1659 713"></td> </tr> <tr> <td data-bbox="618 713 981 782">Error 3</td> <td data-bbox="981 713 1144 782"></td> <td data-bbox="1144 713 1305 782">\$150 (1)</td> <td data-bbox="1305 713 1509 782"></td> <td data-bbox="1509 713 1659 782"></td> </tr> <tr> <td data-bbox="618 782 981 850">Error 4</td> <td data-bbox="981 782 1144 850"></td> <td data-bbox="1144 782 1305 850"></td> <td data-bbox="1305 782 1509 850">\$4100 (1)</td> <td data-bbox="1509 782 1659 850"></td> </tr> <tr> <td data-bbox="618 850 981 965">Error 5</td> <td data-bbox="981 850 1144 965"></td> <td data-bbox="1144 850 1305 965"></td> <td data-bbox="1305 850 1509 965">\$340 (1) \$430 (1)</td> <td data-bbox="1509 850 1659 965"></td> </tr> <tr> <td data-bbox="618 965 981 1034">Total difference</td> <td data-bbox="981 965 1144 1034"></td> <td data-bbox="1144 965 1305 1034">\$150</td> <td data-bbox="1305 965 1509 1034">\$6850</td> <td data-bbox="1509 965 1659 1034">(6700)</td> </tr> <tr> <td data-bbox="618 1034 981 1182">Corrected profit for the year</td> <td data-bbox="981 1034 1144 1182"></td> <td data-bbox="1144 1034 1305 1182"></td> <td data-bbox="1305 1034 1509 1182"></td> <td data-bbox="1509 1034 1659 1182"><u>\$24 700</u> (2)CF (1)OF</td> </tr> </tbody> </table>				Draft profit for the year before corrections				\$31 400		No effect on profit	Increase in profit	Decrease in profit		Error 1			\$990 (1) \$990 (1)		Error 2	✓(1)				Error 3		\$150 (1)			Error 4			\$4100 (1)		Error 5			\$340 (1) \$430 (1)		Total difference		\$150	\$6850	(6700)	Corrected profit for the year				<u>\$24 700</u> (2)CF (1)OF	9
Draft profit for the year before corrections				\$31 400																																														
	No effect on profit	Increase in profit	Decrease in profit																																															
Error 1			\$990 (1) \$990 (1)																																															
Error 2	✓(1)																																																	
Error 3		\$150 (1)																																																
Error 4			\$4100 (1)																																															
Error 5			\$340 (1) \$430 (1)																																															
Total difference		\$150	\$6850	(6700)																																														
Corrected profit for the year				<u>\$24 700</u> (2)CF (1)OF																																														

Question	Answer	Marks
6(a)	<p>Percentage of gross profit to revenue $\frac{(42\,000 - 35\,490)}{42\,000} \times \frac{100}{1} \text{ (1) whole formula} = 15.50\% \text{ (1)}$</p> <p>Percentage of profit to revenue $\frac{(6510 \text{ OF} - 3772)}{42\,000} \times \frac{100}{1} \text{ (1) OF whole formula} = 6.52\% \text{ (1) OF}$</p> <p>Return on capital employed $\frac{2738 \text{ OF}}{(53\,000 + 10\,000)} \times \frac{100}{1} \text{ (1) OF whole formula} = 4.35\% \text{ (1) OF}$</p> <p>Rate of inventory turnover $\frac{35\,490}{(860 + 920) / 2} \text{ (1) whole formula} = 39.88 \text{ times (1)}$</p>	8

Question	Answer	Marks
6(b)	Dealing in different types of goods Furniture has a higher profit mark-up than fruit and vegetables Any 2 points (1) each	2
6(c)	Fruit and vegetables are a low-priced everyday product/furniture is a higher priced article which is not purchased daily Fruit and vegetables will go bad if kept for a long period of time/furniture does not deteriorate as quickly as fresh food. Or other relevant reason Any 1 reason (1)	1
6(d)	Wages, insurance of premises, bad debts, increase in provision for doubtful debts, cash discount allowed Or other suitable expenses Any 2 expenses (1) each	2
6(e)	Dealing in different goods Different type of business (sole trader/partnership) Different length of life of business Different types of expenses Different size of business Results are for one year only and may not show trends The statements do not show non-monetary factors It may not be possible to obtain all the information needed to make comparisons Different accounting policies may be used Or other relevant factors Any 4 factors (1) each	4

Question	Answer	Marks
6(f)	Increase in selling price will increase margin/mark-up (1) so gross profit will increase (1) Increase in selling price may make customers go elsewhere (1) so gross profit will decrease (1)	2
6(g)	How much capital will Sabeena invest? Will the annual profit be increased with the injection of more capital? What share of profit will Sabeena require? Will Sabeena work in the business? Will Sabeena require an annual salary? What areas of expertise will Sabeena bring to the business? Are they going to be able to work together without disputes arising? Or other relevant factors Any 3 factors (1) each	3