

**CAMBRIDGE INTERNATIONAL EXAMINATIONS**  
International General Certificate of Secondary Education

**MARK SCHEME for the May/June 2013 series**

**0452 ACCOUNTING**

**0452/12**

Paper 1, maximum raw mark 120

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.

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

(1) Mark each

[Total: 10]

- 2 (a) Asset – Liabilities = Capital [1]
- (b) Bookkeeping – detailed recording of all financial transactions of a business (2)  
 Accounting – preparing financial statements at regular intervals from the bookkeeping records (2) [4]

(c)

Teresa			
Trial Balance at 31 January 2013			
	\$	\$	
Drawings	29 100 (1)		
Vehicles	16 200		
Rent	3 400		
Inventory at 1 February 2012	19 100 (1)		
Equipment	12 100		
Trade payables		16 600 (1)	
Trade receivables	19 300 (1)		
Sales		210 100	
Purchases	131 600		
Carriage inwards	400 (1)		
Discount received		1 100 (1)	
Bank overdraft		17 000	
Wages	21 800		
General expenses	11 200		
Capital		<u>19 400 (1) OF</u>	
	<u>264 200</u>	<u>264 200 (1) CF</u>	

[8]

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- (d) Any two from –
- Omission (1)  
A transaction is completely omitted from the books (2)
  - Commission (1)  
A transaction is posted to the wrong account of the same class (2)
  - Principle (1)  
A transaction is posted to an account of the wrong class (2)
  - Original entry (1)  
An incorrect figure is used when the transaction is first recorded (2)
  - Reversal (1)  
A debit entry is posted on the credit side and vice versa (2)
  - Compensating (1)  
Two or more errors cancel each other out (2)

**Naming any 2 errors (1) each**

**Describing the two named errors (2) each**

**[6]**

(e)

Teresa Capital account			
	\$		\$
2013		2012	
Jan 31 Drawings	29 100 (1)	Feb 1 Balance b/d	19 400 (1) OF
Balance c/d	38 500	2013	
	<u>67 600</u>	Jan 31 Profit for year	<u>48 200 (1)</u>
			<u>67 600</u>
		2013	
		Feb 1 Balance b/d	38 500 (1) OF

**[Dates and narratives not required]**

**[4]**

- (f) To monitor progress (1) using accounting ratios (1)  
For decision-making (1) for future planning (1)  
For comparison purposes (1) with previous years or other businesses (1)

**[2]**

**[Total: 25]**

**3 (a)**

Consistency	(1)
Duality	(1)
Money measurement	(1)
Prudence	(1)
Going concern	(1)

**[5]**

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- (b) One from –  
 Jacqui made bulk purchases  
 Jacqui is in the same trade  
 Jacqui is a regular customer

**Any one reason (2) [2]**

- (c) (i)  $5\% \times \$60 = \$3$  [1]

(ii)

Account to be debited	Account to be credited
Discount allowed (1)	Jacqui (1)

[2]

- (iii) One from –  
 Jacqui made prompt payment  
 Jacqui paid before the due date

**Any one reason (2) [2]**

(d)

	Trading business	Service business
Accountant		✓ } for both
Hairdresser		✓ }
Car dealer	✓ } for both	
Computer component manufacturer	✓ }	

[2]

[Total: 14]

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4 (a)

Clothilde

Manufacturing Account for the year ended 31 January 2013

	\$	\$
Opening inventory of raw materials	3 600	
Purchases of raw materials	190 800 (1)	
Carriage on raw materials	<u>1 100 (1)</u>	
	195 500	
Less Closing inventory of raw materials	<u>6 200</u>	
Cost of materials consumed (1)		189 300 (1) OF
Direct wages		<u>86 000 (1)</u>
Prime cost (1)		275 300 (1) OF
Factory overheads		
Supervisor's salary	15 000	
Factory rent 80% × 30 000	24 000 (1)	
Factory power 80% × 25 000	20 000 (1)	
Factory insurance 80% × 5000	4 000 (1)	
Depreciation of machinery	<u>3 000</u>	<u>66 000 (1) CF</u>
		341 300 (1) OF
Opening work in progress		<u>5 800 (1)</u>
		347 100
Closing work in progress		<u>6 100 (1)</u>
Production cost of goods completed (1)		<u>341 000 (1) OF</u>

[16]

(b)

	\$
Production cost of goods completed	341 000 (1) OF
Opening inventory of finished goods	<u>19 600</u>
	360 600
Closing inventory of finished goods	<u>26 600 (1) for both inventories</u>
Cost of sales	<u>334 000 (1) OF</u>

[3]

(c) \$334 000 (1) OF + 50% = \$501 000 (1) OF

[2]

[Total: 21]

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5 (a) Ledger account [2]

(b)

		Rent account	
		\$	\$
2012			2012
Jan 1 Balance b/d	6 000 (1)	Dec 31 Income	
Feb 28 Bank /Cash	18 000 (1)	statement	37 200 (1) OF
Sept 1 Bank /Cash	<u>19 800 (1)</u>	Balance c/d	<u>6 600</u>
	<u>43 800</u>		<u>43 800</u>
2013			
Jan 1 Balance b/d	6 600 (1) OF		
<b>+ (1) dates</b>			

[6]

		Commission payable account	
		\$	\$
2012			2012
Dec 31 Bank /Cash	18 100 (1)	Jan 1 Balance b/d	1 700 (1)
Balance c/d	1 150	Dec 31 Income	
	<u>19 250</u>	statement	<u>17 550 (1) OF</u>
			<u>19 250</u>
		2013	
<b>+ (1) dates</b>		Jan 1 Balance b/d	1 150 (1) OF

[5]

		Stationery account	
		2012	2012
Jan 1 Balance b/d	120 (1)	Dec 31 Income	
Dec 31 Bank /Cash	1 880 (1)	statement	1 910 (1) CF
	<u>2 000</u>	Balance c/d	<u>90</u>
			<u>2 000</u>
2013			
Jan 1 Balance b/d	90 (1) OF		
<b>+ (1) dates</b>			

[5]

(c)

Ledger account	Balance sheet	
	Heading	Item
Commission payable	Current liabilities (1)	Other payables (1)
Stationery	Current assets (1)	Other receivables (1)

[4]

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(d) Journal

	Debit \$	Credit \$	
Sales	250		(1)
Cash		250	(1)
Drawings	150		(1)
Purchases		150	(1)

[4]

[Total: 26]

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- 6 (a) (i) At 31 March 2012  
3.07 : 1 **(2) CF**
- At 31 March 2013  
1.67 : 1 **(2) CF** [4]
- (ii) Any one from –  
Increase in trade receivables  
Increase in trade payables  
Change in bank balance to overdrawn
- Any one reason (1)** [1]
- (b) (i) At 31 March 2012  
1.71 : 1 **(2) CF**
- At 31 March 2013  
0.67 : 1 **(2) CF** [4]
- (ii) Any one from –  
May have difficulty in paying debts when due  
May not be able to obtain further supplies on credit  
Cannot take advantage of cash discounts  
Cannot take advantage of business opportunities when they arise
- Any one effect (2)** [2]
- (c) Any two from –  
Purchase of non-current assets  
Purchase of inventory  
Dividends paid/tax paid  
Increase in debtors/non payment by debtors
- Any two reasons (1) each** [2]



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(d)

Jarvis Limited	
Appropriation Account for the year ended 31 March 2013	
	\$
Profit for the year	26 000 (1)
Less Transfer to general reserve	10 000 (1)
Ordinary share dividend paid (6000 (1) + 8000 (1))	<u>14 000</u>
	<u>24 000</u>
	2 000 (1) OF
Retained profit brought forward	<u>29 000 (1)</u>
Retained profit carried forward	<u>31 000 (1)</u>

[7]

- (e) Any one from –  
 To set aside profit for re-investment  
 To indicate that part of the profit is not available for distribution  
 To set aside profit for payment of future dividends

**Any one reason (2)****[2]**

- (f) Authorised share capital  
 The total share capital a company is allowed to issue (1)

Issued share capital

The amount of the share capital which a company has actually issued to shareholders (1) [2]

**[Total: 24]**