## MARK SCHEME for the May/June 2012 question paper

## for the guidance of teachers

# 0452 ACCOUNTING

0452/22

Paper 2, 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.

Mark schemes must be read in conjunction with the question papers and the report on the examination.

• Cambridge will not enter into discussions or correspondence in connection with these mark schemes.

Cambridge is publishing the mark schemes for the May/June 2012 question papers for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.

Page 2	Mark Scheme: Teachers' version	Syllabus	Paper
	IGCSE – May/June 2012	0452	22

Dalia Said

1 (a)

#### Purchases journal \$ \$ Date Details 2012 March 2 **Essam Wholesalers** 1950 (1) 8 680 Ramy El Din Less 20% Trade discount (1) 136 544 (1) 31 Transfer to Purchases a/c 2494

#### Purchases returns journal

Date	Details	\$	\$	
2012 March 14 31	Ramy El Din Less 20% Trade discount Transfer to Purchases returns a/c	120 24	96 <u>96</u>	(1) (1)

(b)

2012 Mar 21	Bank Discount	Dalia Essam Whole \$ 1911 <b>(1)</b> <u>39</u> <b>(1)</b> <u>1950</u>	a Said esalers accou 2012 Mar 2	nt Purchases	\$ 1950 <b>(1)</b> <u>1950</u>	[3]
2012 Mar 14 28 31	Returns Bank Balance c/d	Ramy El I \$ 96 <b>(1)</b> 300 <b>(1)</b> <u>148</u>	Din account 2012 Mar 8	Purchases	\$ 544 <b>(1)</b>	[0]
51		<u>544</u>	2012 Apl 1	Balance b/d	<u>544</u> 148 <b>(1)O/F</b>	[4]

[4]

[3]

[2]

Page 3		Mark Scheme: Teachers' version	Syllabus	Paper
		IGCSE – May/June 2012	0452	22
(c) Pi	urchase	es ledger/Creditors ledger		[1]
(d) $\frac{2}{3}$	2600 3 400 ×	$\frac{365}{1}$ (1) = 28.41 = 29 days (1)		[2]
• •		an be used for other things within the business id bank charges/bank interest		
Α	ny 1 po	pint (1)		[1]
Ci Ci Di	reditors reditors amage	ash discounts s may refuse further supplies s may insist on cash purchases in future to good relationship with suppliers charged interest		
A	ny 1 po	pint (1)		[1]
Cl In Re	harge i nprove efuse fu	sh discount for prompt payment nterest on overdue accounts credit control/send invoices or statements promptly urther supplies until outstanding balance paid liscounting and debt factoring		
A	ny 3 po	bints (1) each		[3]
				[Total: 20]

	Page 4	Mark S	cheme: Teach	ners' version		Syllabus		Paper
		IG	CSE – May/Ju	ne 2012		04	52	22
2	<b>(a)</b> 2011	\$	Commission	n Nyemba received accou 2011	int		\$	
	Feb 1 2012	Balance b/d	280 <b>(1)</b>	Feb 5 Aug 3	Banl Banl		280 <b>} (1)</b> 312 <b>}</b>	
	Jan 31	Income Statement	<u>608</u> (2) O/F	2012 Jan 31	Bala	nce c/d	<u>296</u>	
	2012		<u>888</u>				<u>888</u>	
	Feb 1	Balance b/d	296 (1)					
	+ (1) da	tes [6]						
	(b)		Property	n Nyemba / tax account				
	2011 Fab 1	Dolonoo h/d	\$ 500 (1)	2012	Inco		\$	
	Feb 1 Apl 24 Oct 4	Balance b/d Bank Bank	520 (1) 1620 <b>} (1)</b> <u>1620</u> }	Jan 31		ement nce c/d	3220 <b>(2)</b> 540	O/F
	2012 Feb 1	Balance b/d	<u>3760</u> 540 <b>(1)</b>				<u>3760</u>	
	+ (1) da	tes						[6]
	(c) Accruals	s (matching)						[1]
	<b>(d) (i)</b> Cur	rent assets (1)						
	<b>(ii)</b> Cur	rent assets <b>(1)</b>						[2]

(e)

### Journal

	Debit \$	Credit \$	
Income statement Discount allowed Total discount allowed transferred to the income statement	324	324	(1) (1) (1)

Continued/

[3]

	Page 5			neme: Teacher			Sylla		Paper
			IGCS	SE – May/June	2012		045	52	22
	(f)	2012 Jan 31	Pro \$ Income Statement Balance c/d	Simon N ovision for doubt 31 <b>(2)</b> <b>0/F</b> <u>429</u> <u>460</u>			\$ nce b/d	460 <b>(1)</b> 460	
		2012 Feb 1	Palanaa h/d	420 (1)					
		Feb 1	Balance b/d	429 <b>(1)</b>					
		+ (1) dat	es						[5]
	(g)	Prudence <b>OR</b>	e						
			(matching)						[1]
									[Total: 24]
									[101011.24]
3	(a)	Cost of m Opening Purchase Carriage Less Clor Direct fac Prime co Factory c Indirect w General o Deprecia (20% × (9) Loose too (950 + 45)	turing Account for naterials consume inventory of raw es of raw material on purchases sing inventory of ctory wages st overheads vages (43 600 – 1 expenses (24 450 tion – Factory ma 98 000 – 35 280)) ols	ed <b>(1)</b> materials raw materials 10 000) 0 – (¼ × 6200)) achinery	30 April 20 \$ 14 300 168 900 <u>2 600</u> 185 800 <u>16 400</u> 33 600 ( 22 900 ( 12 544 ( <u>105 (</u>	2) 2) 2)		\$ 169 400 (1) <u>193 700 (1)</u> 363 100 (1) <u>69 149</u> 432 249 (1) <u>6 520 (1)</u> 438 769	O/F O/F
			sing work in prog on cost of goods o					<u>6 970</u> (1) <u>431 799</u> (1)	O/F

Page 6Mark Scheme: Teachers' versionSyllabusIGCSE – May/June 20120452					
		22			
f	Goo finisł	ntory of raw materials ds remaining at the year-end which were origina ned articles <b>(1)</b> nple – wood, nails, screws, handles or other suitabl		converting into	
F	Furn	ntory of work in progress iture which is partly made at the year end <b>(1)</b> nple – partly made table/ wardrobe/chair/other suita	able example (1)	[2]	
) í (	Com	ntory of finished goods pleted furniture which is awaiting sale <b>(1)</b> nple – finished table/wardrobe/chair/other suitable e	example <b>(1)</b>	[2]	
• •		n application of the principle of materiality. ractical to keep detailed records of loose tools.			
Any	1 cc	omment (2)		[2]	
(d) <u>(170</u> (130	200	$\frac{(1-144\ 000)}{(1+20\ 000)}$ (1) $\times \frac{100}{1} = 17.47\%$		[3]	
<b>(e)</b> Unsa	atisfi	ed <b>(1)</b>			
		is lower than the previous year. <b>(1)</b> tal is not being employed as efficiently as in the pre	vious year. <b>(1)</b>		
Acce	ept a	answer based on the answer to (d)		[3]	
				[Total: 31]	

Page 7		,				Syllabus	Pa	per
			IGCSE – Ma	y/June 2012		0452	2	2
(a)					)12			
				\$		\$	\$	
	Noi	n-curre	ent assets	Cost			Book value	
	Pre	mises		120 000	.0			
	Pla	nt and	machinery	90 000	15	500	74 500 <b>(1)</b>	
	Fix	tures a	ind fittings	<u>32 000</u> 242 000				O/F
				21 600	24	000(1)		
					20	940 <b>(1)</b>		
						• •		
				<u>     5 340 (</u> 1)	<u>32</u>		40 500 (4)	0/5
	Net	currei	nt assets	000 600		-	<u>13 500</u> (1)	O/F
	1%	Dobo	aturas	233 600			30,000 (1)	
	4 /0	Denei	niures	203 600		-	<u> </u>	
				200 000				
	Ca	pital ar	nd reserves					
	5%	Prefei	rence shares of \$1 each				80 000 <b>(1)</b>	
						1		
							• •	
	Ret	tained	profits (6 500 <b>(1)</b> + 7 100	) <b>(1)</b> )				
						2	203 600	
								[15]
(b)	(i)	\$160	0					[1]
	(ii)	Fffec	t Profit for the year is	reduced (1)				
	(11)		5					[2]
(c)	(i)	\$200	0					[1]
		_						
	(ii)			-	-			
		Prior	ciaim on the assets of th	e company in the e	vent of	a winding up		
		Any <sup>r</sup>	1 point (2)					[2]
	(a) (b)	<ul> <li>(a)</li> <li>Not</li> <li>Pree</li> <li>Pla</li> <li>Fixit</li> <li>Cut</li> <li>Invet</li> <li>Fixit</li> <li>Cut</li> <li>Invet</li> <li>Cast</li> <li>Cut</li> <li>Tra</li> <li>Bar</li> <li>Net</li> <li>4%</li> <li>Cast</li> <li>Cut</li> <li>Tra</li> <li>Bar</li> <li>Net</li> <li>A%</li> <li>Cast</li> <li>Cut</li> <li>Tra</li> <li>Bar</li> <li>Net</li> <li>A%</li> <li>Cast</li> <li>Cut</li> <li>Tra</li> <li>Bar</li> <li>Net</li> <li>Cast</li> <li>Cut</li> <li>Tra</li> <li>Bar</li> <li>Cut</li> <li>Tra</li> <li>Extended and and and and and and and and and an</li></ul>	<ul> <li>(a)</li> <li>Non-current Premisess Plant and Fixtures at Current at Inventory Trade rect Less Provider Cash</li> <li>Current liat Trade pay Bank ove Net current 4% Debeat</li> <li>Capital ar 5% Prefet Ordinary signeral rectained</li> <li>(b) (i) \$1600 (ii) \$1600 (ii) Effect Reas</li> <li>(c) (i) \$2000 (ii) Reduced</li> </ul>	<ul> <li>IGCSE – Ma Balance</li> <li>(a)</li> <li>Balance</li> <li>Non-current assets</li> <li>Premises</li> <li>Plant and machinery</li> <li>Fixtures and fittings</li> <li>Current assets</li> <li>Inventory</li> <li>Trade receivables</li> <li>Less Provision for doubtful debts</li> <li>Cash</li> <li>Current liabilities</li> <li>Trade payables</li> <li>Bank overdraft</li> <li>Net current assets</li> <li>4% Debentures</li> <li>Capital and reserves</li> <li>5% Preference shares of \$1 each</li> <li>General reserve</li> <li>Retained profits (6 500 (1) + 7 100</li> <li>(b) (i) \$1600</li> <li>(ii) Effect Profit for the year is Reason Debenture interest is</li> <li>(c) (i) \$2000</li> <li>(ii) Reduction in profit (or dividention)</li> </ul>	IGCSE – May/June 2012         (a)       Creekside Ltd Balance Sheet at 30 April 20 \$         Non-current assets         Premises       120 000         Plant and machinery       90 000         Fixtures and fittings       32 000         242 000       242 000         Current assets       21 600         Less Provision for doubtful debts       660         Cash       21 600         Less Provision for doubtful debts       660         Cash       233 600         Current liabilities       5340 (1)         Trade payables       26 960 (1)         Bank overdraft       5340 (1)         Net current assets       203 600         Capital and reserves       203 600         Capital and reserves       203 600         Capital and reserve       203 600         Capital erecreve       Retained profits (6 500 (1) + 7 100 (1))         (b) (i) \$1600       (ii) Effect Profit for the year is reduced (1) Reason Debenture interest is an expense (1         (c) (i) \$2000       (ii) Reduction in profit (or dividend) available for ordi Prior claim on the assets of the company in the expense o	IGCSE - May/June 2012         (a)       Creekside Ltd Balance Sheet at 30 April 2012         \$         Non-current assets       Cost       Deprivation of the system of the sy	IGCSE - May/June 2012       0452         (a)       Creekside Ltd Balance Sheet at 30 April 2012 \$ \$ Non-current assets       \$ Cost       Depreciation to date         Premises       120 000       15 500       1         Plant and machinery       90 000       15 500       1         Fixtures and fittings       32 000       6 400       1         Current assets       242 000       21 900       2         Inventory       24 660 (1)       1       245 800         Current liabilities       660       20 940 (1)       2 5 800         Current liabilities       21 600       2 940 (1)       2 3 00         Current liabilities       26 960 (1)       32 300       45 800         Current assets       203 600       20 940 (1)       32 300         Net current assets       203 600       20 100       20 100         4% Debentures       203 600       20 100       20 100         (b) (i)       \$1600       10 100 100       20 100       20 100         (ii)       Effect       Profit for the year is reduced (1)       20 100       20 100         (iii)       Effect       Profit for the year is reduced (1)       20 100       20 100       20 100       20 200       20 200 <td>IGCSE - May/June 201204522(a)Creekside Ltd Balance Sheet at 30 April 2012 \$\$\$Non-current assetsCostDepreciation 120 000 120 000Book valuePremises120 000 120 000120 000 15 50074 500 (1) 220 000Fixtures and fittings32 000 242 0006 400 25 600 (1) 220 100 (1)Current assets Inventory24 660 (1) Trade precievables21 600 20 940 (1) 45 800Current liabilities Trade payables26 960 (1) 32 30030 000 (1) 32 300Current liabilities Trade payables26 960 (1) 33 60030 000 (1) 20 000 (1)Current liabilities Trade payables13 500 (1) 203 60013 500 (1) 203 600Capital and reserves 5% Preference shares of \$1 each 100 000 (1) General reserve80 000 (1) 100 000 (1) 203 600(b) (i)\$1600 (ii) EffectProfit for the year is reduced (1) Reason Debenture interest is an expense (1)(c) (i)\$2000 (iii) Reduction in profit (or dividend) available for ordinary shareholders Prior claim on the assets of the company in the event of a winding up</br></br></br></br></br></br></td>	IGCSE - May/June 201204522(a)Creekside Ltd Balance Sheet at 30 April 2012 \$\$\$Non-current assetsCostDepreciation 120 000 120 000Book valuePremises120 000 120 000120 000 15 50074 500 (1) 220 000Fixtures and fittings32 000 242 0006 400 25 600 (1) 220 100 (1)Current assets Inventory24 660 (1) Trade precievables21 600 20 940 (1) 45 800Current liabilities Trade payables26 960 (1) 32 30030 000 (1) 32 300Current liabilities Trade payables26 960 (1) 33 60030 000 (1) 20 000 (1)Current liabilities Trade payables13 500 (1) 203 60013 500 (1) 203 600Capital and reserves 5% Preference shares of \$1 each 100 000 (1) General reserve80 000 (1) 100 000 (1) 203 600(b) (i)\$1600 (ii) 

Page 8	Page 8 Mark Scheme: Teachers' version		Paper
	IGCSE – May/June 2012	0452	22

#### (d) The new shares rank equally with the existing ordinary shares with regard to dividend.

The new shares rank equally with the existing ordinary shares with regard to repayment in a winding up.

The percentage of ownership of the existing ordinary shareholders is diluted.

Any 1 point (2)

[2]

[Total: 23]

5 (a)

#### Bethany Searle Journal

		Debit \$	Credit \$	
2	Suspense Rent received	340	340	(1) (1)
3	Purchases returns Stationery	24	24	(1) (1)
4	- Suspense	_	100	(1) (1)
5	Sales Suspense	1000	1000	(1) (1)

[8]

Page 9					Syllabus	Paper
		IG	CSE – May/J	une 2012	0452	22
(b)		y Searle ent of corrected p	profit for the ye	ears ended 31 Ma		
					\$	
	Profit to	or the year before	Effect on pro	fit	14 940	
		Increas	se	Decrease		
	Error	\$ 1 96		\$		
		2 340 (	2)			
		3	No effect (2	?)		
		4	No effect (2	2)		
		5		<u>1 000</u> (2)	50.4	
		436 Corrected profit fo	or the year	<u>1 000</u>	<u> </u>	
						[9]
(c)		) + 100) : (21 5				
	= 19 64	10 : 24 450 <b>(1)</b>	= 0.80 : 1	(1)		[2]
(d)				es can be paid fror the sale of invent	n liquid assets ory to pay the immedia	ate liabilities
	Any 1	comment (2)				[2
(e)		ick ratio does not	include inver	ntory. <b>(1)</b>		
		ory is not regarded	d as a liquid a	sset <b>(1)</b>		
	<b>Or</b> Invento	ory is two stages a	away from bei	ng a liquid asset.	(1)	[2
						[Total: 23]