

**CAMBRIDGE INTERNATIONAL EXAMINATIONS**

Cambridge International General Certificate of Secondary Education

## **MARK SCHEME for the March 2015 series**

### **0452 ACCOUNTING**

**0452/12**

Paper 12, maximum raw mark 120

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### Glossary for Q1

- (a) A  $29\,500 - 18\,100 + 11\,300 - 15\,000 = 7700$   
 B  $29\,500 + 18\,100 - 11\,300 - 15\,000 = 21\,300$   
 C  $29\,500 - 18\,100 + 11\,300 + 15\,000 = 37\,700$   
 D  $29\,500 + 18\,100 - 11\,300 + 15\,000 = 51\,300$

- (d) A  $(750/15) \times 4$  months  
 B  $(750/12) \times 4$  months  
 C  $(750/12) \times 8$  months  
 D  $(750/15) \times 11$  months

- (e) A  $78 - 22 - 6$   
 B  $78 - 22$   
 C from question  
 D from question

### Mark scheme

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

2 (a) An item which an organisation owns/which is owed to the organisation (1) [1]

(b) A statement of financial position is a statement of all the assets and liabilities of an organisation (1) at a specific date (1). An income statement is a statement of all the revenues and costs of an organisation (1) for a specific period (1). [4]

(c)

	Debit	Credit
Cash	✓	
Capital		✓ (1)
Bonnie – a credit customer	✓ (1)	
Loan from the bank		✓ (1)
Other operating expenses	✓ (1)	
Purchases returns		✓ (1)

[5]

(d)

Feb	Account to be debited	\$	Account to be credited	\$
1	Purchases	600	Abdul	600
2	Cash	150 (1)	Sales	150 (1)
3	Bank	100 (1)	Cash	100 (1)
4	Drawings	50 (1)	Cash	50 (1)
5	Sara	510 (1)	Sales	510 (1)
6	Abdul	600 (1)	Bank	600 (1)

[10]

(e)

John  
Cash book (bank columns)

Date	Details	\$	Date	Details	\$
Feb 1	Balance b/d	450 (1)	Feb 6	Abdul	600 (1)
3	Cash	100 (1)			
7	Balance c/d	50			
		-----			-----
		600			600
		-----	Feb 8	Balance b/d	50 (1of)

+1 for dates

[5]

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(f) Drawings (1)

[1]

[Total: 26]

3 (a) (i)

Alex  
Provision for depreciation account

Date	Details	\$	Date	Details	\$
2014			2014		
Apr 1	Disposal account	6 800 (1)	Jan 1	Balance b/d	6 800 (1)
Dec 31	Balance c/d	9 600	Dec 31	Income statement	9 600 (1)
		-----			-----
		16 400			16 400
		-----			-----
			2015		
			Jan 1	Balance b/d	9 600
					(1of)

+1 for dates

[5]

(ii)

Alex  
Disposal account

Date	Details	\$	Date	Details	\$
2014			2014		
Apr 1	Motor vehicle	17 000 (1)	Apr 1	Prov depreciation	6 800
					(1OF)
				Bank	9 400 (1)
				Income statement	800 (1of)
		-----			-----
		17 000			17 000
		-----			-----

[4]

(b)

Alex

Statement of Financial Position (extract) at 31 December 2014

Non-current assets (1)

	Cost	Accumulated depreciation	Net book value
	\$	\$	\$
Motor vehicles	24 000 (1)	9 600 (1of)	14 400 (1of)

[4]

(c)  $14\,400\text{ (1of)} \times 40\% = 5\,760\text{ (1of)}$

[2]

(d) general journal (1)    cash book (1)

[2]

(e) Money spent on day to day running expenses (1)

Suitable example (1)

[2]

[Total: 19]

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- 4 (a) Total sales = 165 600 + 44 400 = 210 000 (1)  
 Cost of sales = 210 000 × 2/3 (1) = 140 000 (1of)  
 Purchases = 140 000 – 21 600 (1) + 28 800 (1) = 147 200 (1of) [6]

(b)

		Kriti				
		Sales ledger control account				
2014		\$	2014		\$	
Jan 1	Balance b/d	13 400		Jan 1	Balance b/d	120
		<b>(1 for both)</b>				
Dec 31	Credit sales	165 600	<b>(1)</b>	Dec 31	Bad debts	2 800
	Bank	90	<b>(1)</b>		Bank	155 010
	Balance c/d	200			Discount allowed	4 560
					PLCA	1 300
					Balance c/d	15 500
		179 290				179 290
2015		15 500	<b>(1of)</b>	2015		200
Jan 1	Balance b/d			Jan 1	Balance b/d	<b>(1)</b>

+1 for dates

[10]

- (c) Check for errors in sales ledger  
 May reduce fraud  
 Provides quick total of trade receivables  
 Provides summary of trade receivables transactions  
 Any two reasons (1) each [2]

- (d) Customer overpays  
 Customer returns goods after payment  
 Customer did not deduct discount before payment  
 Any one reason (1) [1]

- (e) A provision for doubtful debts does not affect an individual debtor's account (1) [1]

[Total: 20]

5 (a)

Cost	Overhead section of the manufacturing account	Income statement
Office rent		✓
Factory rent	✓ (1)	
Carriage outwards		✓ (1)
Depreciation of machinery	✓ (1)	
Depreciation of office equipment		✓ (1)
Discount allowed		✓ (1)
Salesman's salary		✓ (1)
Administration costs		✓ (1)

[7]

(b)

Harrington  
Manufacturing Account (extract) for the year ended 31 December 2014

	\$		\$
Inventory of raw materials at 1 January 2014			5 600
Purchases of raw materials	71 100		
Less purchases returns	1 000	(1)	
	70 100		
Less drawings	2 000	(1)	
	68 100		
Carriage inwards	2 100	(1)	
			70 200
			75 800
Inventory of raw materials at 31 December 2014			4 200
Cost of raw materials consumed (1)			71 600
Direct labour			52 550
Prime cost (1)			124 150

[9]

(c) To set prices OR to compare the cost of manufacturing with the cost of buying the goods in. (1)

[1]

(d)  $4200 (1) + 1800 (1) + 5500 (1) = 11\ 500$

[3]

[Total: 20]

6 (a)

	Increase \$	Decrease \$	\$
Draft profit			26 200
Error 1	400 (1)		
Error 2		600 (1)	
Error 3	2 000 (1)		
Error 4	<u>50 (1)</u>	<u>        </u>	
	<u>2 450</u>	<u>600</u>	<u>1 850</u>
Corrected profit			<u>28 050 (1of)</u>

[5]

(b)

Arun  
Statement of Financial Position at 31 January 2015  
\$

Non-current assets	
Fixtures and fittings	20 800
Motor vehicles	12 100
	<u>32 900 (1)</u>
Current assets	
Inventory	15 900 (1)
Trade receivables (8700 – 600)	8 100 (1)
Other receivables	400 (1)
Cash and cash equivalents (1100 + 50)	1 150 (1)
	<u>25 550</u>
Total assets	<u>58 450</u>
Capital at 1 February 2014	28 400 (1)
Profit for the year	28 050 (1of)
	56 450
Drawings 10 000 (1) + 2000 (1)	12 000
Capital at 31 January 2015	<u>44 450</u>
Current liabilities	
Trade payables	14 000 (1)
Total liabilities	<u>58 450</u>

[10]



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- (c) Accruals (matching)  
 Costs and revenues should be matched **(1)** within an accounting period **(1)**  
 Any suitable example **(1)**

Business entity

The business is treated as being separate from the owner **(1)**. The business records are from the viewpoint of the business **(1)**.

Any suitable example **(1)**

[6]

(d)

	Increase	Decrease
Gross profit margin	✓ <b>(1)</b>	
Rate of inventory turnover (in days)	✓ <b>(1)</b>	
Net profit margin	✓ <b>(1)</b>	
Return on capital employed	✓ <b>(1)</b>	

[4]

**[Total: 25]**