MARK SCHEME for the May/June 2012 question paper

for the guidance of teachers

0452 ACCOUNTING

0452/13

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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	Page 2	Mark Scheme: Teachers' version	Syllabus	Paper
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1	Key			
	(a) C			[1]
	(b) D			[1]
	(c) D			[1]
	(d) A			[1]
	(e) B			[1]
	(f) B			[1]
	(g) D			[1]
	(h) C			[1]
	(i) A			[1]
	(j) A			[1]
				[Total: 10]
2	(a) Invoice			[1]

- (b) To show the financial position of a business on a certain date.
 - (c)

	Asset	Liability
Inventory	√(1)	
Rent receivable prepaid		√(1)
Trade payables		√(1)

[3]

[1]

(d) To calculate how much it has cost the business to manufacture the goods (1) produced in the financial year (1). [2]

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(e)		ey measuremer evance (1)	nt (1)		[2]
(f)	(300 × \$ ²	6.40 (1)	[2]		
(g)	Land, bu Any 2 (1	cles, goodwill	[2]		
(h)	The busi The acco	he owner. (1)	[2]		
(i)	(200 × \$*	100) (1) = \$20 0	$00 \times 3\% \times \frac{1}{2} = 300 (1)		[2]
(j)	Plus clos	ts ening accrual sing accrual for the year	\$2100 <u>350</u> (1) 1750 <u>470</u> (1) <u>2220</u> (1)		[3]
					[Total: 20]
8 (a)	To assist	t in the preparat	ion of financial statements		

(a) To accion in the proparation of infancial statements	
To check for arithmetical accuracy/errors (must include arithmetical)	
Any 1 reason (1)	[1]

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(b)

Hans Lee Trial Balance at 30 April 2012

	Dr \$	Cr \$	
Revenue		110 000	
Purchases	65 000		
Inventory (1 May 2011)	11 500		(1)
Trade receivables	1 300		}
Trade payables		1 900	}(1)
Machinery	7 400		
Expenses	31 600		
Bank overdraft		3 100	(1)
Capital		11 500	}
Drawings	7 600		}(1)
Suspense (1)	2 100		(1) OF
	126 500	126 500	(1)

(c)

Hans Lee Journal

		Debit \$	Credit \$	
1	Purchases Suspense	1 600	1 600	(1) (1)
2	Suspense John Tan	300	300	(1) (1)
3	Drawings Suspense	200	200	(1) (1)

[7]

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(d)

	Increase	Decrease	No effect
Error 1		√(1)	
Error 2			√(1)
Error 3			√(1)

[3]

[2]

[12]

(e) All the errors have NOT YET been discovered. (1) There is a balance remaining on the suspense account/Trial Balance. (1)

[Total: 19]

- 4 (a) To avoid recording small cash payments in the main cash book (2) To reduce the number of entries in the main cash book (2) Any one reason (2)
 - (b) The petty cashier starts each month with the same amount of money. (1)
 At the end of the period the amount spent is reimbursed so the cash remaining is equal to the imprest amount. (1)
 - (c) Refer to next page

(d) Postages and stationery account 2012 2012 \$ \$ April 30 Petty cash 60 **(1)** April 30 Petty cash 4 (1) Motor expenses account 2012 \$ April 30 Petty cash 38 (1) Catering supplies account 2012 \$ April 30 Petty cash 12 (1) Cleaning account \$ 2012 70 (1) April 30 Petty cash [5]

(e) \$24 (1) O/F from (c)

[1]

[Total: 22]

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4 continued

Theba – Petty Cash Book

Total Received	Date	Details	Total Paid	Postages and stationery	Motor expenses	Catering supplies	Cleaning
\$ 97 103 (1) 4 (1)	April 1 4 12 17 21 24 29 30	Balance b/d Bank Postage stamps Stationery Fuel Stationery refund Catering supplies Cleaning	\$ 24 36 38 12 70 180 24	\$ 24 (1) 36 (1) 60	\$ 38 (1) 38	\$ 12 (1) 12	\$ 70 (1) 70
204 24 (1) 176 (1) O/F	May 1	Balance c/d Balance b/d Bank/Cash	204				

Totals of analysis columns (1); Totals of total columns (1) Dates (1)

[12]

P	age 7	Mark Scheme: Teachers' version	Syllabus	Paper	
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5 (a)	Sharing Sharing	al knowledge and skills of responsibilities of risks ons can take place before taking decisions			[2]
(b)	, Decision Decision	ave to be shared s have to be recognised by all partners/disagreer s may take longer to put into effect ner's actions are binding on all partners	nents may arise		

one particles actions are binding on all particles
All partners are responsible for the debts of the business
Any 2 (1) each

(c)

[2]

	Debit \$	Credit \$	
Bank Capital Raoul	6000	6000	(1) (1)
Inventory Capital Hassan	4000	4000	(1) (1)
Rent Shop fittings Bank (or Cash Book)	600 750	1350	(1) (1) (2)

Raoul and Hassan Journal

[8]

(d)	Raoul and Hassan								
. ,	Profit and Loss Appropriation Account for the year ended 31 March 2012								
			\$		\$		\$		
	Profit for the year						8800	(1)	
	Less Interest on capital –	Raoul	180 ('	1)					
		Hassan	<u>120</u> (*	1)	300				
	Partner's salary – Rauol		-	-	3000	(1)	<u>3300</u>		
							5500		
	Profit shares – Raoul				2200	(2)(1) OF			
	Hassan				<u>3300</u>	(2)(1) OF	<u>5500</u>		

[8]

	ge 8			cheme: Teach	ers versior		Syllabı	IS	Paper	
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(e)			Balance c/d			Salary	·	3000	(1)	
				5380	April 1			<u>5380</u>		[4]
(f)	Allo Cha	w co ange	mmission on sal the profit-sharing							
	Ally	/ 1 (2	•)							[2]
									[Total	: 26]
(a)	(i)	(36 (000 + 60 000) -			0 – 80 00	00 (1)			501
		= \$1	6 000 (1) OF							[3]
	(ii)			•	•					[3]
	(iii)			•	•)				[3]
Limited's ratio is lower than is usually acceptable (2)(ii) Cole Limited (1) Cole Limited can meet the immediate liabilities from the liquid assets but Fanza						and/or Fa	anza [3]			
(c)	The Cap Do Pre Pre	divic bital is not u feren feren	dend is paid before s returned before sually carry votir ce shares are pa ce shareholders	ore ordinary sha e ordinary shar ng rights art of the capita	e capital in a al of the com	a winding pany	g up			[4]
	(f) (a)	(f) Incr Allo Cha Any (a) (i) (ii) (iii) (b) (i) (ii) (iii) (iii) (c) Rec The Cap Do Pre Pre	 2012 Mar 31 (f) Increase Allow co Change Any 1 (2) (a) (i) Curr (36 0) = \$1 (ii) Curr 96 0 (iii) Curr 96 0 (iii) Curr 96 0 (iii) Curr 96 0 (iii) Curr 60 0 (iii) Curr 60 0 (iii) Curr 60 0 (iii) Curr 96 0 (iii) Curr 60 0 (iii) Curr 60 0 (iii) Cole Cole Limi (ii) Cole Cole have than (c) Receive The divio Capital is Do not u Preferen Preferen 	 (e) 2012 Mar 31 Balance c/d (f) Increase Raoul's salary Allow commission on sal Change the profit-sharing Any 1 (2) (a) (i) Current assets – cur (36 000 + 60 000) – = \$16 000 (1) OF (ii) Current assets : curr 96 000 : 80 000 (1) = (iii) Current assets – inve 60 000 : 80 000 (1) = (iii) Cole Limited (1) Cole Limited can pa Limited's ratio is low (ii) Cole Limited (1) Cole Limited can ma have difficulty in pay than is usually accept (c) Receive a fixed rate of di The dividend is paid before Do not usually carry votir Preference shares are paid 	 (e) Currer 2012 \$ Mar 31 Balance c/d 5380 5380 5380 5380 (f) Increase Raoul's salary Allow commission on sales Change the profit-sharing ratio Any 1 (2) (a) (i) Current assets – current liabilities (1 (36 000 + 60 000) – (63 000 + 17 0 = \$16 000 (1) OF (ii) Current assets : current liabilities (1 96 000 : 80 000 (1) = 1.2 : 1 (1) OF (iii) Current assets – inventory : current 60 000 : 80 000 (1) = 0.75 : 1 (1) O (b) (i) Cole Limited (1) Cole Limited can pay the immedia Limited's ratio is lower than is usual (ii) Cole Limited (1) Cole Limited can meet the immedia have difficulty in paying current liability than is usually acceptable (2) (c) Receive a fixed rate of dividend The dividend is paid before ordinary shar Do not usually carry voting rights Preference shares are part of the capital preference shares are part of the capital Preference shares are members 	 (e) Raoul Current account 2012 \$ 2012 Mar 31 Balance c/d 5380 Mar 31 5380 Mar 31 5380 April 1 (f) Increase Raoul's salary Allow commission on sales Change the profit-sharing ratio Any 1 (2) (a) (i) Current assets – current liabilities (1) (36 000 + 60 000) – (63 000 + 17 000) = 96 000 = \$16 000 (1) OF (ii) Current assets : current liabilities (1) 96 000 : 80 000 (1) = 1.2 : 1 (1) OF (iii) Current assets – inventory : current liabilities (1 60 000 : 80 000 (1) = 0.75 : 1 (1) OF (b) (i) Cole Limited (1) Cole Limited can pay the immediate liabilities Limited's ratio is lower than is usually acceptab (ii) Cole Limited (1) Cole Limited can meet the immediate liabilities when than is usually acceptable (2) (c) Receive a fixed rate of dividend The dividend is paid before ordinary share dividend Capital is returned before ordinary share dividend The dividend is paid before ordinary share capital in a Do not usually carry voting rights Preference shares are part of the capital of the comp Preference shares are members of the comp 	 (e) Raoul Current account 2012 \$ 2012 Mar 31 Balance c/d 5380 Mar 31 Interest Salary Profit si <u>5380</u> (f) Increase Raoul's salary Allow commission on sales Change the profit-sharing ratio Any 1 (2) (a) (i) Current assets - current liabilities (1) (36 000 + 60 000) - (63 000 + 17 000) = 96 000 - 80 00 = \$16 000 (1) OF (ii) Current assets : current liabilities (1) 96 000 : 80 000 (1) = 1.2 : 1 (1) OF (iii) Current assets - inventory : current liabilities (1) 60 000 : 80 000 (1) = 0.75 : 1 (1) OF (ii) Cole Limited (1) Cole Limited can pay the immediate liabilities from th Limited's ratio is lower than is usually acceptable (2) (ii) Cole Limited (1) Cole Limited (2) (ii) Cole Limited (3) (c) Receive a fixed rate of dividend The dividend is paid before ordinary share dividend Capital is returned before ordinary share capital in a winding Do not usually carry voting rights Preference shares are part of the capital of the company Preference shares are part of the capital of the company 	 (e) Raoul Current account 2012 \$ 2012 Mar 31 Balance c/d 5380 Mar 31 Interest on cap Salary Profit share 5380 April 1 Balance b/d (f) Increase Raoul's salary Allow commission on sales Change the profit-sharing ratio Any 1 (2) (a) (i) Current assets - 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current liabilities (1) (36 000 + 60 000) - (63 000 + 17 000) = 96 000 - 80 000 (1) = \$16 000 (1) OF (ii) Current assets - current liabilities (1) 96 000 : 80 000 (1) = 1.2 : 1 (1) OF (iii) Current assets - inventory : current liabilities (1) 60 000 : 80 000 (1) = 0.75 : 1 (1) OF (iii) Current assets - inventory : current liabilities from the current assets Limited's ratio is lower than is usually acceptable (2) (ii) Cole Limited (1) Cole Limited can pay the immediate liabilities from the liquid assets b have difficulty in paying current liabilities when they fall due/Fanza Limited's than is usually acceptable (2) (c) Receive a fixed rate of dividend The dividend is paid before ordinary share capital in a winding up Do not usually carry voting rights Preference shares are part of the capital of the company Preference shares are part of the capital of the company 	 (e) Raoul Current account 2012 \$ 2012 \$ 2012 Mar 31 Balance c/d 5380 Mar 31 Interest on cap 180 (1)O/F Salary 3000 (1) For the share 2200 (1)O/F Salary 3000 (1) For the share 2200 (1)O/F (f) Increase Raoul's salary Allow commission on sales Change the profit-sharing ratio Any 1 (2) (f) Increase Raoul's salary Allow commission on sales Change the profit-sharing ratio Any 1 (2) (g) Out + 60 000) - (63 000 + 17 000) = 96 000 - 80 000 (1) = \$16 000 (1) OF (ii) Current assets - current liabilities (1) 96 000 : 80 000 (1) = 1.2 : 1 (1) OF (iii) Current assets - inventory : current liabilities from the current assets and/or Fi Limited 's ratio is lower than is usually acceptable (2) (i) Cole Limited (1) Cole Limited (1) Cole Limited can pay the immediate liabilities from the liquid assets but Fanza have difficulty in paying current liabilities when they fall due/Fanza Limited's ratio is low than is usually acceptable (2) (c) Receive a fixed rate of dividend The dividend is paid before ordinary share capital in a winding up Do not usually carry voting rights Preference sharesholders are members of the company Preference sharesholders are members of the company

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 (d) Receive a fixed rate of interest Interest is paid irrespective of the profit of the company Are long term loans Are often secured on the assets of the company Debentures are repaid before share capital in a winding up Debenture holders are not members of the company Do not carry voting rights

Any 2 (2) each

[4]

[Total: 23]