# MARK SCHEME for the May/June 2013 series

# 0452 ACCOUNTING

0452/21

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 should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge will not enter into discussions about these mark schemes.

Cambridge is publishing the mark schemes for the May/June 2013 series for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level components and some Ordinary Level components.



	Page 2		Mark Scheme	Syllabus	Paper
			IGCSE – May/June 2013	0452	21
1	(a)	Removes Reduces Reduces Allows th	d small cash payments s small cash payments from the main cash book the number of entries in the main cash book the number of entries in the ledger he chief cashier to delegate some of the work training for any junior staff members		
		Any 2 po		[2]	
	(b)	petty cas The cash	shier knows exactly how much is spent in each r sh n remaining and the vouchers received should equa o reduce fraud		I expenditure of
		Any 1 ac	dvantage (1)		[1]
	(c)	See follo	owing page		[12]
	(d)	At the m	onth end <b>(1)</b> the totals debited to postage account (	1)	[2]
	(e)		s not presented not credited ok errors		
		Any 2 ite	ems (1) each		[2]
	(f)		abits ansfers ured cheques arges/interest		
		Any 2 ite	ems (1) each		[2]
					[Total: 21]
					- •

Page 3	Page 3 Mark Scheme		Paper
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#### Question 1 (c)

### Annie Rongsen – Petty Cash Book

Total received	Date	Details	Total paid	Postage	Travel	Sundries	Ledger accounts
\$	2013		\$	\$	\$	\$	\$
23	Mar 1	Balance b/d					
67 <b>(1)</b>		Bank/cash					
	4	Postages	19	19 <b>(1)</b>			
	8	Taxi fares	16		16 <b>(1)</b>		
20 (1)	13	Loan repayment					
	19	Parcel post	4	4 (1)			
	23	R Singh	24				24 <b>(1)</b>
	29	Window Cleaner	12			12 <b>(1)</b>	
			75	23	16	12	24
	31	Balance c/d	35				
110			110				
35 <b>(1) OF</b>	Apr 1	Balance b/d					
55 <b>(1) OF</b>		Bank/cash					

(1) Dates

(1) OF totals of analysis columns(1) OF totals and total columns

	Page 4	Mark Scheme	Syl	labus	Pa	aper
		IGCSE – May/June 2013	0	452	:	21
2	(a)					
		Ashraf Zayed				
		Income statement for the year ended	28 February 20	13		
		· · · · · ·	\$		\$	
	Revenue			3	323 000	(1)
	Cost of s	ales				( )
	Cost of p	roduction	267 100 <b>(</b>	(1)		
	•	es of finished goods	•	(1)		
		5	271 400			
	Less Clo	sing inventory finished goods		(1) 2	251 800	
	Gross pro	ofit			71 200	(1) OF
	Horizont	al format acceptable				[{
	It was ch Could no	on did not meet demand heaper to buy rather than make ot make those particular items homical to make such a small amount				

#### Any 2 reasons (1) each

[2]

Ashraf Zayed Journal							
	Debit \$	Credit \$					
Income statement	1130		(1)				
Carriage outwards		1130	(1)				
Transfer of carriage outwards to income statement			(1)				
Income statement	600		(1)				
Provision for doubtful debts		600	(1)				
Creation of provision for doubtful debts			(1)				

Page 5	Mark Scheme		Syllab	ous	Paper	
	IGCSE – May/June 2	013	045	2	21	
(d)						
( )	As	hraf Zayed				
		surance acc	ount			
	\$				\$	
2012		2013				
Jun 1 Bank	720 <b>(1)</b>	Feb 28	Drawings		360	(1)
			Income		070	(4)
			statement	~-	270	(1)
				OF		
			Balance c/d		90	
	720				720	
2013						
Mar 1 Balance b	o/d 90 (1) OF					

+ (1) Dates

#### Accept three column running balance presentation

(e) The accruals (matching) principle requires the revenue of the accounting period to be matched against the costs of the same period. (1) The insurance relating to the financial year ended 28 February 2013 has been transferred to the income statement. (1) [2]

1	E)
1	ŧ١
۰.	•,

	Overstated \$	Understated \$
Profit of the year ended 28 February 2013	270 <b>(2) O/F</b>	

[2]

[5]

(g) Applying the business (accounting entity principle the business is treated as being completely separate from the owner. (1) [2]

Only the transactions of the business are recorded in the business' books. (1)

[Total: 24]

Page	6	Mark Scheme	Mark Scheme		Paper
		IGCSE – May/June	2013	0452	21
6 (a)		Sanath	Jaffer		
		Trial Balance a	t 31 January 20	013	
			Debit	Credit	
			\$	\$	
	Capital			53 000	
	Drawings		6 100		
	Revenue			66 000	
	Purchases		43 350		

	Debit \$	Credit \$	
Capital	т	53 000	
Drawings	6 100		
Revenue		66 000	
Purchases	43 350		
Purchases returns		1 150	
Inventory	3 700		(2)
Bank overdraft		3 050	(2)
Trade receivables	5 320		
Trade payables		3 450	
General expenses	17 850		
Non-current assets	50 400		
Suspense (1)		70	(1) OF
			(1) CF
	126 720	126 720	

(b)

	Debit			Credit		
	Account			Account	\$	
(ii)	General expenses	400	(1)	Non-current assets	400	(1)
(iii)	-	-	(1)	Suspense	80	(1)
(iv)	Suspense	100	(1)	Purchases returns	100	(1)
(v)	Suspense	50	(1)	General expenses	50	(1)

[7]

Page 7	Mark Scheme		Syllabus	Paper					
		IGCSE – May/June 2013	0452	21					
	Erroi Reas	r number (i) <b>(1)</b> sons it is an error or omission Neither a debit nor a credit entry has been made so	o the books balanc	e					
Any 1 reason (1)									
	Reas	r number (ii) <b>(1)</b> son it is an error of principle A double entry has been made but in the wrong cla	ss of account.						
A	٩ny	1 advantage (1)		[2]					
(d) Mone	ey m	leasurement		[1]					
(e) Realis	satio	on		[1]					
E	Easi Easi	can be shared amongst several people er for reference as the same types of account are k er to introduce checking procedures e fraud more difficult	ept together						
A	٩ny	1 advantage (1)		[1]					
(ii) 1		Any non-current asset, inventory, capital, drawings, expenses, incomes, etc. <b>(1)</b>	, Ioan, sales, purcl	nases, returns,					
2	2 (	Credit customers/debtors/trade receivables (1)							
3	3 (	Credit suppliers/creditors/trade payables (1)							
				[3]					

[Total: 23]

	Page 8	Mark Scheme		Syllabus	Paper	
		IGC	SE – May/June	2013	0452	21
	<i>.</i>		<u></u>			
4	(a)	(a) Sildean Ltd				
		Calculation of retained profit for the year ended 30 April 2013				
	Profit for the	voar		\$	\$ 24 800	
		nture interest			<u>1 600</u> (1)	
					23 200	
	Less Interim ordinary share dividend		lividend	14 000 <b>(1)</b>	20200	
		Transfer to general reserve		<u>5 000</u> (1)	19 000	
		Profit retained in the year		( /	4 200 (1) CF	
					( )	
	Alternative	forms of presen	tation acceptal	ole		
						[4]
	<i>.</i>		0.11			
	(b)			an Ltd		
			Balance Sheet	at 30 April 2013		
			\$	\$	\$	
	Non-current	t assets	Cost	Depreciation	Book	
		100000	0030	to date	value	
			<u>206 000</u>	<u>12 500</u>	193 500	
	Current ass	ets				
	Inventory			16 300 <b>}</b>		
	Petty cash			200}(1)		
	Trade recei	vables	15 400			
	Provision fo	r doubtful debts	462	<u>14 938</u> (1)		
				31 438		
	Current liab					
	Trade paya		14 156 <b>}</b>			
	Bank overd		7 982 <b>}(1)</b>			
		oles (deb. int.)	<u>    1  600</u> <b>(1)</b>	<u>23 738</u>		
	Net current	assets			7 700	
	10/ Debent	1500			201 200	
	4% Debenti	lies			<u>40 000</u> (1)	
					<u>161 200</u>	
	Capital and	reserves				
		ares of \$0.50 eac	h		140 000 <b>(1)</b>	
	General reserve (10 000 (1) + 5000(1))			15 000		
	Retained profits (2000 (1) + 4200 (1)OF)				6 200	
					161 200	
	Harizontal	format accontab	la			

## Horizontal format acceptable

[10]

Page 9		Mark Scheme	Syllabus	Paper
		IGCSE – May/June 2013	0452	21
(c) (i) (ii)	1.32	38 (OF) : 23 738 (OF) (1) : (1) OF 438 (OF) – 16 300) : 23 738 (OF) (1)		[2]
(")		(1) (OF)		[2]
(iii)	asse	ws whether the company can pay its immediate (cur ets (current assets less inventory) <b>(1)</b> cation of the liquidity of the company <b>(1)</b>	rrent) liabilities fro	m the liquid
	Or s	uitable answer based on O/F answer to (ii)		[2]
(iv)	lssu Obta Sell Red	e additional shares e additional debentures ain long term loan surplus non-current assets uced dividends paid uce inventory level		
	Any	2 points (1) each		[2]
Or Or Or Or Or	dinary dinary dinary dinary dinary	shareholders are members of the company shares carry voting rights shareholders receive a dividend share dividend is a share of the profit share dividend is variable share dividend is paid after any dividend on prefere shareholders are repaid last in the event of a windi		
An	ny 2 fe	atures (1) each		[2]
De De De De De	ebentu ebentu ebentu ebentu ebentu	res are loans re holders are not members of the company res do not carry voting rights res carry a fixed rate of interest re interest is not dependent on the company's profit res are often secured on the assets of the company res holders are repaid before the shareholders in th	,	ng up
An	iy 2 fe	atures (1) each		[2]

Page 10	Page 10 Mark Scheme		Syllabus	Paper	
		IGCSE – May/June 2013		0452	21
(a)	(a) Tom and Gill Kayumba Statement of corrected profit for the year ended 31 March 2013				
Add Adv Goo Moto Less Sta	the year ertising prepa ds taken for o or vehicle expo tionery purcha	id wn use enses accrued ased	\$ 600 ( <b>2</b> ) 1 000 ( <b>2</b> ) <u>320</u> ( <b>2</b> )	\$ 22 500 <u>1 920</u> 24 420 <u>260</u> <b>(2)</b>	
Correcte	d profit for the	year		<u>24 160</u> (1) O/F	
Alternat	Alternative forms of presentation acceptable				[
(b)	(b) Tom and Gill Kayumba Statement of corrected profit for the year ended 31 March 2013 \$ \$				
	d profit for the	-		24 160 <b>(1) O/F</b>	
Interest	on drawings	Tom Kayumba Gill Kayumba	1 040 <b>}</b> <u>1 300</u> <b>}(1)</b>	<u>2 340</u> 26 500	
Interest o	on capital	Tom Kayumba 5% × 60 000 × 6 mths 5% × 80 000 × 6 mths Gill Kayumba 5% × 40 000	1 500 <b>(1)</b> <u>2 000</u> <b>(1)</b> 3 500 <u>2 000</u> <b>(1)</b> 5 500		
	hip salary	Gill Kayumba (5000 <b>(1)</b> + 7000 <b>(1)</b> )	<u>12 000</u>	<u>17 500</u>	
Residual Share of		Tom Kayumba 2000 <b>(1)</b> + (½ x 7000) <b>(1) OF</b>	5 500	9 000	
		Gill Kayumba ⅓ x 7000 <b>(1) OF</b>	<u>3 500</u>	<u>9 000</u>	
Horizon	tal format acc		<u>0 000</u>	<u>0 000</u>	[10

Pag	je 11	Mark Scheme	Syllabus	Paper
		IGCSE – May/June 2013	0452	21
(c)	• •	o reward the partner investing more capital o encourage partners to invest in the business		
	A	ny 1 point (1)		[1]
	Τc	o discourage the partners from making drawings o discourage drawings early in the financial year o help the cash flow of the business		
	A	ny 1 point (1)		[1]
(d)	Purcha	goods at higher prices asing goods at lower prices le in proportions of different goods		
	Any 2	points (1) each		[2]
(e)	Year e	nded 31 March 2012 <b>(1)</b>		
		penses/revenue were 11.90% in 2012 and 14.30% of the profit for the year/revenue was higher in 201		by an increase

in gross profit/revenue (1)

[Total: 26]

[3]