



**Cambridge International Examinations**  
Cambridge International General Certificate of Secondary Education

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**ACCOUNTING**

**0452/01**

Paper 1

**For Examination from 2014**

SPECIMEN MARK SCHEME

**1 hour 45 minutes**

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**MAXIMUM MARK: 120**

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This document consists of 7 printed pages and 1 blank page.

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

**[Total: 10]**

- 2 (a) Statement of account [1]
- (b) Costs are matched against revenue of the same period [2]
- (c) Error of commission [1]

(d)

	capital expenditure	revenue expenditure
purchase of motor van	✓ (1)	
renewal of tyres for motor van		✓ (1)
painting business name on motor van	✓ (1)	

[3]

- (e) Assist in locating errors  
 Proof of arithmetical accuracy of the sales ledger  
 Total trade receivables figure available  
 Ease in preparing financial statements  
 May reduce fraud  
 Provide summary of transactions concerning credit customers

**Any two items (1) each**

[2]

(f)		\$		
	Amount paid 21 April	80	(1)	
	Less accrual 31 March	<u>70</u>	(1)	
		10		
	Add accrual 30 April	<u>90</u>	(1)	
	Income statement	<u>100</u>	(1)	[4]

(g)		\$		
	10 000 ordinary shares of \$1 each	10 000	(1)	
	8000 preference shares of \$1.50 each	<u>12 000</u>	(1)	
	Total issued share capital	<u>22 000</u>	(2)	[4]

(h)		\$		
	Gross profit 40% × \$80 000	32 000	(2)	
	Less expenses	<u>20 000</u>	(1)	
	Net profit	<u>12 000</u>	(1)	

$$\% \text{ of net profit to sales } = \frac{12\,000}{80\,000} \times \frac{100}{1} = 15\% \text{ (1)}$$

[6]

**[Total: 23]**

**3 (a)**

Safina  
 Cash Book (Bank columns only)

2012		\$		2012	\$	
Apr 30	Balance b/d	620	(1)	Apr 30	Bank charges	15 (1)
	Bank interest	20	(1)		Direct debits	40 (1)
	Bank transfer	130	(1)		Dishonoured cheque	65 (2)
		<u>770</u>			Balance c/d	<u>650</u>
						<u>770</u>
2012						
May 1	Balance b/d	650	(1)OF			

[8]

(b)

Safina  
Bank Reconciliation Statement at 30 April 2012

	\$
Balance on updated cash book on 30 April 2012	650 <b>(2)OF</b>
Adjustments:	
Receipts not yet deposited at bank	(310) <b>(2)</b>
Cheques written out but not yet paid by bank	250 <b>(2)</b>
Expected balance on bank statement at 30 April 2012	590 <b>(2)</b>

[8]

(c) Error in cash book **(2)**

Example – omission, transposition, casting error

**Or other suitable example (1)**Error in bank records **(2)**

Example – transposition, item debited/credited to wrong account

**Or other suitable example (1)**

[6]

**[Total: 22]**

- 4 (a) Physical deterioration (wear and tear)  
Economic reasons (obsolescence, inadequacy)  
Passage of time  
Depletion  
**Or other acceptable reason**

**Any 2 (1) each**

[2]

(b) (i)  $15\% (1) \times \$1200 (1) = \$180 (1)$ 

[3]

(ii)  $15\% (1) \times (\$1200 - \$180 \text{ OF}) = 15\% \times \$1020 (1)\text{OF} = \$153 (1)\text{OF}$ 

[3]

(c)

		Paul				Provision for depreciation of machinery account	
2011		\$		2011		\$	
Mar 31	Balance c/d	<u>180</u>		Mar 31	Income statement	<u>180</u>	<b>(1)OF</b>
						<u>180</u>	
2012				2011			
Mar 31	Balance c/d	333		Apr 1	Balance b/d	180	<b>(1)OF</b>
				2012			
		<u>333</u>		Mar 31	Income statement	<u>153</u>	<b>(1)OF</b>
						<u>333</u>	
				2012			
				Apr 1	Balance b/d	333	<b>(1)OF</b>

[4]

(d)

		Paul				Disposal of machinery account	
2012		\$		2012		\$	
Apr 1	Machinery	1200	<b>(2)</b>	Apr 1	Prov for depreciation	333	<b>(2)OF</b>
					Bank/cash	750	<b>(2)</b>
				2013			
		<u>1200</u>		Mar 31	Income statement	<u>117</u>	<b>(2)OF</b>
						<u>1200</u>	

[8]

(e) As there has been a loss on the sale of the machine, Paul might have charged depreciation at a higher rate to write off its value more accurately. [2]

[Total: 22]

5 (a) Stock is valued at the lower (1) of cost (1) and net realisable value (1) [3]

(b) (i) 5000 (1)

(ii) 1 April 2011 (1)

(iii) 80 000 (1)

(iv) inwards (1)

(v) 37 000 (1)

(vi) 5600 (1)

(vii) Profit for the year (1)

(viii) 27 800 (1)OF [8]

(c)  $\frac{88\,000 (1)}{(42\,000 + 36\,000) (1) \div 2 (1)} = 2.26 \text{ times } (1)$  [4]

(d) (i)

Increase	
Decrease	✓

[2]

(ii)  $\frac{(88\,000 + 4\,000)}{(42\,000 + 32\,000) \div 2} = 2.49 \text{ times (1)}$

[2]

**[Total: 19]**

6 (a)

Kinoto Limited  
Profit and Loss Appropriation Account for the year ended 30 June 2012

	\$	\$	
Profit for the year		16 000	(1)
Less Transfer to general reserve	5 000		(1)
Ordinary share dividend – proposed	<u>2 500</u>	<u>7 500</u>	
Profit retained in the year		8 500	(1)OF
Retained profit brought forward		<u>47 200</u>	(1)
Retained profit carried forward		<u>55 700</u>	(1)OF

[6]

(b)

Kinoto Limited  
Statement of Financial Position at 30 June 2012

	\$ Cost	\$ Depreciation to date	\$ Book value
Non-current assets			
Machinery	17 000	1 900	15 100
Office equipment	<u>2 500</u>	<u>500</u>	<u>2 000</u>
	<u>19 500</u> (1)	<u>2 400</u> (1)	17 100 (1)
Current assets			
Inventory		3 900 }	
Trade receivables		33 500 } (1)	
Other receivables		600 }	
Bank		25 000 } (1)	
Cash		<u>200</u> (1)	
		63 200	
Less Current liabilities			
Trade payables	1 800 }		
Other payables	300 } (1)		
Proposed dividend	<u>2 500</u> (1) OF	<u>4 600</u>	
Net current assets			<u>58 600</u> (1) OF
			75 700
Non-current liabilities			
Bank loan repayable 2018			<u>5 000</u> (1)
			<u>70 700</u>
Capital and reserves			
Ordinary shares of \$1 each			10 000 (1)
General reserve			5 000 (1)
Retained profit			<u>55 700</u> (1) OF
			<u>70 700</u>
			<b>(1) OF matching totals</b> [14]

(c)  $\frac{16\,000\ (1)}{47\,200 + 10\,000\ (2)} \times \frac{100}{1} = 27.97\% \ (1) \ OF$  [4]

**[Total: 24]**

