

**MARK SCHEME for the October/November 2010 question paper  
for the guidance of teachers**

**0452 ACCOUNTING**

**0452/13**

Paper 1, maximum raw mark 120

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

**[Total: 10]**

- 2 (a) (Sales) invoice [1]

(b)

	Capital expenditure	Revenue expenditure
Purchase of shop	✓ (1)	
Repairs to shop windows		✓ (1)
Purchase of new lock for shop door	✓ (1)	

[3]

- (c) Balance sheet [1]

- (d) The business is expected to continue (1) for the foreseeable future (1) [2]

- (e) Error of principle [1]

- (f) 5000 shares (1) × \$0.25 (1) = \$1250 [2]

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(g) Premium for year = \$600  
 Period 1 July – 30 September is 3 months  
 Expense = \$600 (1) / 4 (1) = \$150 (1) **OF** [3]

(h) Current assets – current liabilities  
\$15 000 + 14 500 (1) + 16 000 (1) – 18 200 (1) = \$27 300 (1) [4]

(i) Collection period = trade receivables / credit sales × 365 days  
 = \$13 800 (1) / \$126 000 (1)  
 = 39.97 = 40 **OF (1)** days (1)  
**OF if Cash + Credit sales** [4]

**[Total: 21]**

**3 (a)** Summa account

October		October	
8 Purchase returns	100 (1)	5 Purchases	320 (1)
30 Bank ( <i>not Cash</i> )	220 (1)	29 Purchases	270 (1)
31 Balance c/d <b>OF</b>	<u>270 (1)</u>		<u>350</u>
	<u>590</u>		
		November	
		1 Balance b/d	270 <b>OF (1)</b>
		+ (1) for all correct dates	

Carter account

October		October	
31 Bank (not Cash)	485 (1)	17 Purchases	500 (1)
31 Discount	<u>15 (2)</u>		<u>500</u>
	<u>500</u>		
		+ (1) for all correct dates	

(b) (i) 200 units (1) × \$2.80 (1) = 560.00 [2]

(ii) 100 units (1) × \$3.20 (1) = 320.00  
 130 units (1) × \$3.10 (1) = 403.00  
 120 units (1) × \$2.90 (1) = 348.00  
 1071.00 [6]

(c) 130 units (1) × \$3.00 (*NRV*) (2) = 390.00  
120 units (1) × \$2.90 (*cost*) (1) = 348.00  
250 738.00

Allow 2 if 250 × \$3.00 [5]

**[Total: 25]**

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- 4 (a) A trial balance is a list of balances (1) on the accounts in the books / ledgers / records (1) at a particular date (1) used to check the accuracy of accounts. Allow “**check accuracy**” if linked with “**list of balances**”. [Max 3]

- (b) Gorman Limited  
Income statement (trading and profit and loss account)  
Year ended 30 September 2010

	\$		\$	
Revenue (sales)			92 000	(1)
Inventory (stock) at 1 October 2009	13 900	(1)		
Purchases	70 300	(1)		
Carriage inwards	<u>600</u>	(1)		
	84 800			
Less: inventory (stock) at 30 Sept 2010	<u>14 300</u>	(1)		
Cost of goods sold			<u>70 500</u>	
Gross profit			21 500	OF (1)
Rent	2 600	}	(1)	
Electricity	850	}		
Property tax (1500-300)	1 200	(1)		
Wages and salaries	5 750	(1)		
Repairs and maintenance	1 100	}	(1)	
Administrative expenses	4 000	}		
Depreciation	1 700	(1)		
Bank charges	<u>120</u>	(1)		
			<u>17 320</u>	
Profit for the year (net profit)			<u>4 180</u>	OF (1) [13]

- (c) (i) Prudence, consistency, lower of cost and net realizable value (any one) (2)
- (ii) Accruals, matching (any one) (2) [4]

- (d) (Rate of inventory (stock) turnover = cost of goods sold / average stock  
= 70 500 (1) / (13 900 + 14 300) (1) / 2 (1)  
= 5 (1) times (1) [5]

- (e) Collect receivables, reduce inventory, delay payment of payables, sell Fixed Assets (any one). [2]

**[Total: 27]**

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5 (a) (i) Cash discount (1),  $3\% (1) \times \$300 (1) = \$9.00$  [3]  
(or  $3/97 \times 291$ )

(ii) Trade discount (1),  $5\% (1) \times \$2000 (1) = \$100.00$  [3]  
(or  $5/95 \times 1900$ )

(b) Sohara Cash Book  
September 2010

Date	Details	Discount	Cash	Bank	Date	Details	Discount	Cash	Bank
		\$	\$	\$			\$	\$	\$
1	Balance b/down (1)		700	3000					
6	Juno (1)	9 OF (1)		*291 (1)	8	Apollo (1)		1900 (1)	
9	Minos (1)			85 (1)	10	Wages (1)		350 (1)	
10	Sales (1)		1850 (1)						

\* OF if \$300 – OF Discount [12]

(c) (i)  $\$300 (1) - \$270 (1) = \$30$  [2]

(ii) Lost or missing voucher  
Lost or stolen cash  
Error brought forward or in counting cash  
Amount not recorded (any one) [2]

(iii)  $\$300 (1) - \$20 (1) = \$280$  [2]

**[Total: 24]**

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6 (a) Norman – Journal

	\$	\$
Office Furniture	1 500 (1)	
Inventory (stock)	12 000 (1)	
Bank	2 300 (1)	
Cash	200 (1)	
Capital – Norman	(1)	16 000 (2)
	3 000 (1)	
Bank		
Loan – Peter		3 000 (1)

[8]

(b) (i) Straight line (fixed instalment) method (1)

(ii) Reducing (diminishing) balance method (1)

*Other methods e.g. revaluation method may be accepted.*

(c) Straight line method would be preferred (1) as furniture has an expected useful life and no scrap value (1) and cost would be fully written off consistently / evenly over the useful life (1). [3]

**[Total: 13]**