



ACCOUNTING

0452/12

Paper 1

May/June 2017

MARK SCHEME

Maximum Mark: 120

Published

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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This document consists of **11** printed pages.

Question	Answer	Marks
Glossary for Question 1		
(d)	A charge for year B accumulated depreciation C straight line D net book value	
(f)	A $426\,000 + 90\,000 - 40\,000 - 25\,000 = 451\,000$ B $426\,000 + 90\,000 - 40\,000 = 476\,000$ C $426\,000 + 90\,000 - 40\,000 + 25\,000 = 501\,000$ D $426\,000 + 90\,000 = 516\,000$	
(h)	A $72\,000 \times 1.6 = 115\,200$ B $80\,000 \times 1.6 = 128\,000$ C $72\,000 \div 0.4 = 180\,000$ D $80\,000 \div 0.4 = 200\,000$	
(j)	A $(14\,000 - 2000) \times 0.2 = 2400$ B $(14\,000 + 3600 - 2\,000) \times 0.2 = 3120$ C $(14\,000 + 3600) \times 0.2 = 3520$ D $(14\,000 + 3600 - 2000) \times 0.25 = 3900$	

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

Question	Answer	Marks																									
2(a)	An income statement shows incomes and expenses (1) and is prepared for a period of time (1) . A statement of financial position shows assets and liabilities (1) and is prepared at a particular date (1) .	4																									
2(b)	<table border="1" data-bbox="584 323 1561 603"> <thead> <tr> <th></th> <th>asset</th> <th>liability</th> <th>income</th> <th>expense</th> </tr> </thead> <tbody> <tr> <td>bank loan</td> <td></td> <td>✓(1)</td> <td></td> <td></td> </tr> <tr> <td>insurance</td> <td></td> <td></td> <td></td> <td>✓(1)</td> </tr> <tr> <td>equipment</td> <td>✓(1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>depreciation charge</td> <td></td> <td></td> <td></td> <td>✓(1)</td> </tr> </tbody> </table>		asset	liability	income	expense	bank loan		✓(1)			insurance				✓(1)	equipment	✓(1)				depreciation charge				✓(1)	4
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depreciation charge				✓(1)																							
2(c)	Income statement \$1500 (1) Statement of financial position \$4500 (1)	2																									
2(d)	<p>accounts of the same type can be kept together</p> <p>helps to locate errors</p> <p>allows tasks to be divided between different people</p> <p>deters fraud</p> <p>allows checking procedures to be introduced</p> <p>any one for (1) mark</p>	1																									
2(e)(i)	Sales ledger – accounts of individual credit customers (1) Purchases ledger – accounts of individual credit suppliers (1)	2																									
2(e)(ii)	any suitable example for (1) mark e.g. sales, purchases, insurance	1																									

Question	Answer	Marks				
2(f)	cash book petty cash book sales journal sales returns journal purchases journal purchases returns journal general (nominal) journal any two for (1) mark each	2				
2(g)	<table border="1"> <tr> <td></td> <td>true or false</td> </tr> <tr> <td>The recording of financial transactions is called accounting</td> <td>false (1)</td> </tr> </table>		true or false	The recording of financial transactions is called accounting	false (1)	1
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The recording of financial transactions is called accounting	false (1)					

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3(a)(i)	in the books of Pich <table> <tr> <td>debit account</td> <td>\$</td> <td>credit account</td> <td>\$</td> </tr> <tr> <td>Roger</td> <td>5000 (1)</td> <td>sales</td> <td>5000 (1)</td> </tr> </table>	debit account	\$	credit account	\$	Roger	5000 (1)	sales	5000 (1)	2				
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purchases	5000 (1)	Pich	5000 (1)											
3(b)	Invoice (1) Pich (1)	2												
3(c)	<table border="1"> <tr> <td>debit account</td> <td>\$</td> <td>credit account</td> <td>\$</td> </tr> <tr> <td>bank</td> <td>4875 (1)</td> <td>Roger</td> <td>5000 (1)</td> </tr> <tr> <td>discount allowed</td> <td>125 (1)</td> <td></td> <td></td> </tr> </table>	debit account	\$	credit account	\$	bank	4875 (1)	Roger	5000 (1)	discount allowed	125 (1)			3
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3(d)(ii)	income statement (1)	1																																																																																																																																								
3(e)	A credit note (1) is issued by the supplier when goods are returned. A debit note (1) may be issued by the customer when goods are returned.	2																																																																																																																																								
3(f)	<p style="text-align: center;">Pich Bad debts account</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;"></th> <th style="width: 15%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>2016</td> <td></td> <td></td> <td></td> <td>2017</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Dec 1</td> <td>Amit</td> <td>860</td> <td>(1)</td> <td>Feb 28</td> <td>Income statement</td> <td>1960</td> <td>(1)OF</td> </tr> <tr> <td>2017</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Feb 28</td> <td>Ruth</td> <td><u>1100</u></td> <td>(1)</td> <td></td> <td></td> <td><u>1960</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td><u>1960</u></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p style="text-align: center;">Provision for doubtful debts account</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;"></th> <th style="width: 15%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>2017</td> <td></td> <td></td> <td></td> <td>2016</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Feb 28</td> <td>Balance c/d</td> <td>2548</td> <td>(3)*</td> <td>Mar 1</td> <td>Balance b/d</td> <td>2240</td> <td>(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>2017</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td><u>2548</u></td> <td></td> <td>Feb 28</td> <td>Income statement</td> <td><u>308</u></td> <td>(1)OF</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td><u>2548</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>2017</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Mar 1</td> <td>Balance b/d</td> <td>2548</td> <td>(1)OF</td> </tr> </tbody> </table> <p>* (64 800–1100) (1) × 0.04 (1) = 2548 (1)OF</p> <p style="text-align: center;">Ruth account</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;"></th> <th style="width: 15%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>2017</td> <td></td> <td></td> <td></td> <td>2017</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Feb 28</td> <td>Balance b/d</td> <td><u>1100</u></td> <td>(1)</td> <td>Feb 28</td> <td>Bad debts</td> <td><u>1100</u></td> <td>(1)</td> </tr> </tbody> </table> <p>+(1) for dates</p>	Date	Details	\$		Date	Details	\$		2016				2017				Dec 1	Amit	860	(1)	Feb 28	Income statement	1960	(1)OF	2017								Feb 28	Ruth	<u>1100</u>	(1)			<u>1960</u>				<u>1960</u>						Date	Details	\$		Date	Details	\$		2017				2016				Feb 28	Balance c/d	2548	(3)*	Mar 1	Balance b/d	2240	(1)					2017						<u>2548</u>		Feb 28	Income statement	<u>308</u>	(1)OF							<u>2548</u>						2017								Mar 1	Balance b/d	2548	(1)OF	Date	Details	\$		Date	Details	\$		2017				2017				Feb 28	Balance b/d	<u>1100</u>	(1)	Feb 28	Bad debts	<u>1100</u>	(1)	12
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3(g)	Pich Statement of Financial Position (extract) at 28 February 2017 Current assets \$ Trade receivables 63 700 (1) Provision for doubtful debts <u>(2 548)</u> (1)OF <u>61 152</u> (1)OF	3

Question	Answer	Marks
4(a)	A copy of the customer’s account as it appears in the books of the bank. (1)	1
4(b)	3 and 4 (1)	1
4(c)	\$ original balance 2890 correction of error 90 (1) bank charges (50) (1) dishonoured cheque <u>(200)</u> (1) updated balance <u>2730</u> (1)OF accept alternative presentation	4
4(d)	Yeo Bank Reconciliation Statement at 30 April 2017 \$ Balance in cash book (1) 2730 (1)OF Add unrepresented cheque <u>400</u> (1) 3130 Less uncredited deposit <u>(180)</u> (1) Balance on bank statement (1) <u>2950</u> (1)OF accept alternative presentation	6
4(e)	\$2730 (1)OF current assets (1)OF	2

Question	Answer	Marks
4(f)	insufficient funds in account no signature on cheque wrong signature no date words and figures do not agree cheque is out of date any one for (1) mark	1
4(g)	preparing of trial balance (1) OR preparing of control account (1)	1

Question	Answer	Marks
5(a)	more capital introduced to business more expertise available responsibilities are shared e.g. holidays, sickness risk is shared losses are shared any two for (1) mark each	2
5(b)(i)	To record the difference between the amounts earned from the partnership and the amounts withdrawn from the partnership (1) To show the retained profit of each partner (1) To make it easier to calculate interest on capital (1) To reveal excess drawings (1) [max 1]	1
5(b)(ii)	Ann owes money to the partnership. (1) The partnership owes money to Bindu. (1)	2

Question	Answer	Marks																																																															
5(c)	<p>Ann and Bindu</p> <p>Appropriation Account for the year ended 28 February 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;">24 500</td> <td></td> </tr> <tr> <td>Less interest on capital – Ann</td> <td style="text-align: right;">3000</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">– Bindu</td> <td style="text-align: right;"><u>2500</u></td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">5 500</td> </tr> <tr> <td>Less salary – Ann</td> <td></td> <td style="text-align: right;"><u>4 000</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">15 000</td> </tr> <tr> <td>Shares of profit – Ann</td> <td style="text-align: right;">9000</td> <td style="text-align: right;">(1)OF</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">– Bindu</td> <td style="text-align: right;"><u>6000</u></td> <td style="text-align: right;">(1)OF</td> <td style="text-align: right;"><u>15 000</u></td> </tr> </table>		\$	\$		Profit for the year		24 500		Less interest on capital – Ann	3000	(1)		– Bindu	<u>2500</u>	(1)	5 500	Less salary – Ann		<u>4 000</u>	(1)				15 000	Shares of profit – Ann	9000	(1)OF		– Bindu	<u>6000</u>	(1)OF	<u>15 000</u>	5																															
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5(g)	The loss arising from the damage is recorded in the same year as the damage occurred. (1)	1

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6(b)(ii)	Prime cost 110 000 (1)OF +82 000=192 000 (1)OF	2																								
6(b)(iii)	Cost of production 192 000 OF +(41 800+6000) (1) =239 800 (1)OF accept alternative formats	2																								

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6(c)	<p style="text-align: center;">G Limited Income Statement for the year ended 31 December 2016</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: right;">\$</th> <th style="width: 10%;"></th> <th style="width: 10%; text-align: right;">\$</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td></td> <td></td> <td style="text-align: right;">550 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Inventory of finished goods – 1 Jan 2016</td> <td style="text-align: right;">51 000</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cost of production</td> <td style="text-align: right;">239 800</td> <td style="text-align: right;">(1)OF</td> <td></td> <td></td> </tr> <tr> <td>Purchases of finished goods</td> <td style="text-align: right;"><u>95 200</u></td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">386 000</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Inventory of finished goods – 31 Dec 2016</td> <td style="text-align: right;"><u>47 300</u></td> <td style="text-align: right;">(1)*</td> <td></td> <td></td> </tr> <tr> <td>Cost of sales</td> <td></td> <td></td> <td style="text-align: right;"><u>338 700</u></td> <td></td> </tr> <tr> <td>Gross profit</td> <td></td> <td></td> <td style="text-align: right;">211 300</td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td>Distribution costs</td> <td style="text-align: right;">61 800</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td>Administrative expenses</td> <td style="text-align: right;">95 100</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td>Finance charges</td> <td style="text-align: right;"><u>16 100</u></td> <td style="text-align: right;">(1)</td> <td style="text-align: right;"><u>173 000</u></td> <td></td> </tr> <tr> <td>Profit for the year</td> <td></td> <td></td> <td style="text-align: right;"><u>38 300</u></td> <td style="text-align: right;">(1)OF</td> </tr> </tbody> </table> <p style="margin-left: 40px;">* mark for both inventory figures</p>		\$		\$		Revenue			550 000	(1)	Inventory of finished goods – 1 Jan 2016	51 000				Cost of production	239 800	(1)OF			Purchases of finished goods	<u>95 200</u>	(1)				386 000				Inventory of finished goods – 31 Dec 2016	<u>47 300</u>	(1)*			Cost of sales			<u>338 700</u>		Gross profit			211 300	(1)OF	Distribution costs	61 800	(1)			Administrative expenses	95 100	(1)			Finance charges	<u>16 100</u>	(1)	<u>173 000</u>		Profit for the year			<u>38 300</u>	(1)OF	9
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