

**MARK SCHEME for the October/November 2009 question paper
for the guidance of teachers**

0452/02

0452 ACCOUNTING

Paper 2, maximum raw mark 100

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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- 1 (a) Trading account (*accept manufacturing account*)
Profit and loss account (*accept income and expenditure account*)
Profit and loss appropriation account
Balance sheet (any two, one mark each)
(*Accept abbreviations if the meaning is clear*) [2]

(b)

		Income	Expense
(i)	Discount received	√ (1)	
(ii)	Carriage outwards		√ (1)
(iii)	Bank charges		√ (1)

[3]

- (c) Standing orders, credit transfers
Direct debits
Bank charges
Dishonoured cheque (or similar acceptable item)
(*Not unpresented cheques, uncleared deposits*) [1]

(d)

	Dr	Cr
Bad debts	250 (1)	
Petrus (<i>or Debtor</i>)		250 (1)

One mark for both items on each line, in either order [2]

- (e) (i) Purchases (creditors) (ledger) (1)
(ii) Nominal (general) (ledger) (1) [2]

(f) Saleem – Rent account

2009	2009					
1 October	Bank	960 (1)		31 October	P/L account	320 (1)
				31 October	Balance c/d	<u>640 (1)</u>
		<u>960</u>			<i>(accept prepayment)</i>	
1 November	Balance b/d	640 (1) OF				
	<i>(accept prepayment)</i>					

Note: mark is for correct narrative and correct or OF amount, not date. [4]

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- (g) (i) Partnership agreement (*accept deed, contract*) or Profit and loss appropriation account
(*Not partnership document, statement*) [1]
- (ii) Capital to be contributed, drawings
Profit sharing ratio
Interest on capital
Interest on drawings
Partners' salaries (or other acceptable item) [1]

[Total: 16]

- 2 (a) (i) Invoice } (not receipt, cash book or other books of account) [1]
(ii) Invoice, statement of account } [1]

(b) **Note:** in following accounts, 1 mark for date and narrative, 1 mark for amount.

Sales account	
2009	16 October Total sales 550 (2) (<i>accept 30/31</i>) (<i>accept debtors, sales journal</i>)

If separate entries for Artelis and Brook are shown, award mark only if total 550 is shown.

Artelis account	
2009	12 October Sales (journal) 250 (2)

Brook account	
2009	14 October Sales (journal) 300 (2)

[6]

(c)

	Dr \$	Cr \$
Sales (NOT Suspense)	20 (1)	
Artelis		20 (1)

	Dr \$	Cr \$
Chadri	55 (1)	
Sales (NOT Suspense)		55 (1)

[4]

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(d)

	Dr \$	Cr \$
Sales* (550 (1) + 55 (1) – 20 (1))		585* (3)
Artelis (250 – 20)	230 (1)	
Brook	300 (1)	
Chadri	55 (1)	

(No marks for complete reversal)

[6]

*award 3 marks for correct figure with or without workings, 1 mark for 550 with or without workings, for other figures (e.g. 605, 530 or 515) award marks only for correct items if workings shown.

[Total: 18]

3 (a) (i) Current ratio = 17 700 (1) / 9 400 (1)

$$= 1.88 (: 1) (1) \text{OF} \quad (\text{accept } 1.89 \text{ but not } 1.9 \text{ or } 1.90) \\ (\text{do not accept } 1 : 1.88)$$

[3]

(ii) Quick ratio = 15 300 (2) / 9 400 (1)

Note: mark for 15,300 is 2 or 0, correct figure only

$$= 1.63 (: 1) (1) \text{OF} \quad (\text{accept } 1.62 \text{ but not } 1.6 \text{ or } 1.60) \\ (\text{do not accept } 1 : 1.63)$$

[4]

(iii) Working capital = 17 700 (1) – 9 400 (1)

$$= 8 300 (1)$$

Correct figures only

For each of these, award marks for correct answer with or without workings but for other answers award marks only for correct items if workings shown.

[3]

(b)

	Working capital		
	Increase	Decrease	No effect
Increase capital	√ (2)		
Reduce debtors			√ (2)
Repay bank loan		√ (2)	
Reduce drawings	√ (2)		

Note: 2 marks for each item

[8]

[Total: 18]

4 (a)

	Tangible fixed assets	Intangible fixed assets	Current assets
Goodwill		√ (1)	
Motor van	√ (1)		
Warehouse	√ (1)		
Stock			√ (1)

Note: 1 mark for each item

[4]

(b) Depreciation on straight line over three years

$$= (2\ 100 - 300) (1) / 3 (1)$$

$$= 600 (1) \text{OF} - \text{for OF mark must be spread over period of years}$$

Same amount for 2010: \$600 (1)OF (Not \$1200)

Note: award OF mark if same amount is shown for each year

[4]

(c)

		Provision for depreciation	
2009		2009	
Balance c/d	600	Profit & Loss account (Depreciation account)	600 (1)OF
	<u>600</u>		<u>600</u>
		Balance b/d	600 (1)OF
2010		2010	
Balance c/d	<u>1200</u>	Profit & Loss account	<u>600</u> (1)OF
	<u>1200</u>		<u>1200</u>
		Balance b/d	<u>1200</u> (1)OF

Mark is for correct year, not exact date, narrative and amount.
If date is shown with correct year, award mark.

[4]

(d)

Cleo
Balance Sheet at 30 September 2010 (extract)

	Cost \$	Provision for depreciation \$	Net book value \$
Fixed assets			
Plant and equipment	2 100 (1)	1 200 (1)OF	900 (1)OF
<i>(Description and amount for mark)</i>			
<i>(Accept photocopier, office equipment, office machines or similar)</i>			

[3]

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- (e) The accumulated depreciation to date
The amount of cost used up over the life of the machine
The amount charged to P/L account to date

Any one similar comment – 2 marks

Not net book value, or any comment relating to disposal or profit or loss on sale. [2]

[Total: 17]

5 (a) Fees earned = cash receipts 12 000 (1)
less: opening debtors 2 600 (1)
9 400
add: closing debtors 4 100 (1)
13 500 (2) or (1)OF [5]

Award 2 marks for correct answer with or without workings but for other answers award marks only for items correctly added or subtracted if workings shown: do not award any total mark(s) if any alien items are in calculation e.g. commissions figure.

(b) Khalid
Profit and Loss Account for the year ended 31 October 2009

	\$	\$
Fees receivable (accept gross profit etc)		13 500 (1)(OF)
Commissions received		<u>32 000</u> (1)
		45 500
<i>(award 2 marks if just correct total figure 45 500 is shown)</i>		
Expenses		
Rent	9 600 (1)	
Staff wages	8 800 (1)	
Office expenses	6 400 (1)	
Motor expenses	<u>3 600</u> (1)	
		<u>28 400</u>
Net profit (or loss, if loss has been calculated)		<u>17 100</u> (1)(OF)

Award OF fees mark if the total from (a) is used;

Award the commissions mark if shown whether or not it has been included in the total from (a);

Award the net profit/loss mark only if no alien items in account e.g. drawings. [7]

(c) Khalid – Capital account

		Balance b/d	3 000 (1)
Drawings	25 000 (1)	Net profit	17 100 (1)OF
		Balance c/d	<u>4 900</u>
	<u>25 000</u>		<u>25 000</u>
Balance b/d	4 900 (2)OF		

Award balance OF mark only if no alien items in account.

Dates not required. Vertical layout acceptable.

[5]

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- (d) Contribute further capital – but not by taking (bank) loan
Obtain capital by taking partner
Reduce drawings
Increase net profit (*reduce loss if shown in (b)*)
(*e.g. by increasing fees/commissions, reducing expenses (or any one specific expense) but only one example, so 2 marks for only any one method of increasing net profit*)
Any two (2) each [4]

[Total: 21]