### **CAMBRIDGE INTERNATIONAL EXAMINATIONS**

**Cambridge International General Certificate of Secondary Education** 

### MARK SCHEME for the October/November 2014 series

### 0452 ACCOUNTING

0452/12

Paper 1, 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.

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Page 2	Mark Scheme	Syllabus	Paper
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(a) B			
(b) C			
(c) D			
(d) C			

**(f)** A

(e) C

(g) D

(i) A

(h) A

(j) C (1) each

[10]

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# 2 (a) Capital = assets – liabilities (1)OR other acceptable version of formula

[1]

(b)

	Debit entry			Credit entry		
1	Bank account	\$ 10 000		Capital account	\$ 10 000	
2	Motor vehicles account	6 500	(1)	Capital account	6 500	(1)
3	Purchases account	2000	(1)	Zed account	2000	(1)
4	Rent account	3 000	(1)	Bank account	3 000	(1)

[6]

(c) Can withdraw more from bank than put in/can have overdraft (1) Cannot take more cash than is physically present (1)

[2]

(d)

#### Arun Journal

	Debit \$	Credit \$	
Rupa (account in purchases ledger)	37	Ψ	(1)
Rupa (account in sales ledger)		37	(1)

[2]

(e) Save on administration costs (1)

The debt can be settled by using one cheque only (1)

[2]

(f)

Applying the same accounting treatment to similar items at all times	Consistency
Assuming a business will continue to operate indefinitely	Going concern (1)
Expressing transactions in monetary terms	Money measurement (1)

[2]

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(g)

	Debit	Credit
Rent receivable		✓
Sales returns	√(1)	
Inventory	√(1)	
Discount allowed	√(1)	
Provision for depreciation		(1)

[4]

[Total: 19]

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### 3 (a)

# Advertising account 2014

2013 Nov Bank/cash 450 **(1)** Aug 31 Income Statement 915 **(1)OF** 1 2014 Balance c/d 155 (1)CF May Bank/cash 620 **(1)** 1070 1070

2014 Sept 1 Balance b/d 155 **(1)OF** 

\$

+ (1) dates [6]

(b)

Book of prime entry	Source document	
Sales journal	Sales invoice	(1)
Purchases journal	Purchases invoice	(1)
Sales returns journal	Credit note issued	(1)
Purchases returns journal	Credit note received	(1)
Petty cash book	Voucher/receipt	(1)
Cash book	Cheque counterfoil/cheque/receipt/paying-in slip	(1)

[6]

\$

### (c) Reduces the number of entries in the ledger

Acts as an aid for posting to the ledger

Helps to gather and summarise accounting information/facilitate preparation of control accounts

Groups together similar types of transactions

Allows work to be divided between several people

Any 1 reason (2) [2]

(d)

Account(s) to be debited			Account(s) to be credited		
	\$			\$	
Amber Retail	100	(1)	Sales	187	(1)
Business Supplies	65	(1)			
Custom Print	22	(1)			

[4]

[Total: 18]

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# (a)

### Journal

	Debit \$	Credit \$	
Sales returns Purchases returns Suspense	80 80	160	(1) (1) (1)
Motor vehicle expenses Motor vehicles	150	150	(1) (1)
Suspense Purchases	100	100	(1) (1)
Drawings Purchase	55	55	(1) (1)

[9]

(b)

	St	ıspens	se account		
	\$			\$	
Difference on			Sales returns	80	(1)
Trial balance	60		Purchase returns	80	(1)
Purchases	100	(1)			
	160	•		160	

[3]

[1]

## (c) Error of principle (1)

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		Cambridge IGCS	E – October/	Novembe (	r <b>201</b>	4	0452	12	
(a)									
(a)			Sales led	lger contro	acco	ount			
		\$							
	2013	D 1 1/1	0 1 1		1001 (4)				
	July 1 2014	Balance b/d	4 100 <b>(1</b>	) June	30	Sales retui Cash/bank		1 001 <b>(1</b> ) 45 702 <b>(1</b> )	
	June 30	Sales	48 610 <b>(1</b>	1)			Discount allowed		
		Interest	• /					890 <b>(1)</b> 274 <b>(1)</b> 4 920	
			Balance c/d						
	2014		52787					<u>52787</u>	
	July 1	Balance b/d	4 920 <b>(1</b>	)OF					
			Purchases I	ledger con	rol ad	count		Ф	
	2014		\$	2013				\$	
	June 30	Purchases return	s 910 <b>(1</b>		1	Balance b/	'd	3 161 <b>(1</b> )	)
		Cash/bank	37 691 <b>(1</b>	2014				` '	
		Discount received	,	) June	30	Purchases		39 101 <b>(1</b> )	)
		Balance c/d	<u>2998</u> 42262					42 262	
				2014					
				July	1	Balance b/	'd	2998 <b>(1</b> )	)C
				,				Ţ,	-
				•				[′	-
				ŕ				[′	-
(b)								[	-
(b)	Credit sa	ales		Book of		entry	(1)	ָר 	-
(b)	Credit sa		8	Book of p	ırnal		(1) (1)	ָר 	-
(b)	Returns	ales of credit purchases s from credit custon		Book of p	ırnal es ret	entry urns journal	(1) (1) (1)	[1	-
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(b)	Returns Receipts Bad deb	of credit purchases from credit custon	ners	Book of j Sales jou Purchase Cash book	ırnal es ret		(1) (1)		14
(b)	Returns Receipts Bad deb	of credit purchases from credit custon ts written off	ners	Book of sales jourchase Cash book Journal	ırnal es ret		(1) (1) (1)		14
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	Returns Receipts Bad deb Interest	of credit purchases s from credit custon ts written off charged on overdu  F BO Balance c/d	ners e accounts Provision for de \$ 246 (1)OF	Book of particular Sales journals Cash book Journal Journal Cash book Journal Journal Cash Journ	es retok  ts acc	urns journal	(1) (1) (1) (1) (1)	5 (1) <u>1</u> (1) <b>O</b> F	14
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[Total: 25]

				L L	
(a)	The partnership was making los The drawings exceeded the par Any 1 reason (2)		share, interesi	and salary	[2]
(b)			\$	\$	
	Fixtures and fittings (100000 – Delivery van (40000 – 12000) Inventory	10 000)	90 000 <b>(1)</b> 28 000 <b>(1)</b> 56 400 }	·	
	Trade receivables	_	19 000 <b>(1)</b>	193400	
	Bank Trade payables Net assets at 31 December 20	- 13	6 600 <b>(1)</b> 25 400 <b>(1)</b>	32 000 161 400 <b>(1)CF</b>	
					[6]
(c)		\$	\$		
	Net assets at 31 December 20 Add Drawings – Dina Lee		161 400 }(1)	) <u> </u>	
	Less Net assets 1 January 201	3	150 000	<u>)</u> (1)	
	Profit for the year		46400	<u>)</u> (1)OF	[4]
(d)	Dina a	nd I oo			
	Appropriation Account for the y	ear ended 3		2013	
	Profit for the year	\$	\$ 46400 <b>(</b> ′	1)OF	
	Less interest on capital: Dina Lee	10 000 <b>(1)</b> 6 000 <b>(1)</b> 16 000	)	•	
	Salary: Lee	15 000 <b>(1</b> )	31 000 15 400		
	Share of profit: Dina	7700 <b>(1</b> )	)OF		
	Lee	<u> </u>	) <b>OF</b> <u>15400</u>		

Mark Scheme

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Syllabus 0452 Paper 12

[6]

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(e)						Curr	ent Acco	unte			
	204	10			Dina \$	Lee \$		unts		Dina \$	Lee \$
	20 <sup>2</sup> Jar De	า 1	Balance b/d Drawings Balance c/d	(1) (1)	5200 18000	4800 17000 6900		Interest on capital Salary Share of Profit Balance c/d	(1)OF (1) (1)OF	10 000 7 700 5 500	6 000 15 000 7 700
	20°	1./			23 200	28700	2014	Balarice o/a		23 200	28700
	Jar		Balance	(1)OF	5 500		Jan 1	Balance b/d	(1)OF		6900
											[7]
(f)	1	= 75400 : 32000 = 2.36 : 1 (1)OF									
			000 : 32 000 59 : 1 <b>(1)OF</b>								[6]
(g)	(i)		0	k baland urchase R incre	e becau of non-	ise of or current artners'	ne of the assets drawings	following (1)			
		Ans	wer to be ap	propria	ite to ra	tio calc	ulated ir	n (f) Part 2			[2]
	(ii)	Can Can May Or c	not meet deb not take adva not take adva have difficult other suitable 1 comment	intage of intage of the contract of the contra	of cash d of busine aining fu	ss opport	rtunities pplies	as they arise to (f) Part 1			[2]

[Total: 35]