



ACCOUNTING

0452/22

Paper 2

October/November 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.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2017 series for most Cambridge IGCSE[®], Cambridge International A and AS Level components and some Cambridge O Level components.

Question	Answer						Marks	
1(a)(i)	Saffie Petty Cash Book						9	
	Total received \$ 63 87	Date 2017 Sept 1 3 11 21 30	Details Balance b/d Bank (1) Taxi fare (1) Stationery (1) Faariqa (1) Postage (1) Balance c/d	Total paid \$ 12 64 29 22 <hr/> 127 23 150	Travel \$ 12	Postage & stationery \$ 64 22 <hr/> 86		Ledger accounts \$ 29 <hr/> 29
	150							
	23	2017 Oct 1	Balance b/d (1)OF					
	+ (1) dates + (1)OF totalling analysis columns + (1)OF totalling total columns							

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1(a)(ii)	<p>Saffie Cash Book</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">Discount allowed</th> <th style="width: 10%;">Cash</th> <th style="width: 10%;">Bank</th> <th style="width: 10%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">Discount received</th> <th style="width: 10%;">Cash</th> <th style="width: 10%;">Bank</th> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td></td> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> </thead> <tbody> <tr> <td>2017 Sept 1</td> <td>Balance b/d</td> <td></td> <td style="text-align: right;">120</td> <td></td> <td>2017 Sept 1</td> <td>Balance b/d</td> <td></td> <td></td> <td style="text-align: right;">3 841</td> </tr> <tr> <td>26</td> <td>Thushari (1)</td> <td style="text-align: right;">8</td> <td></td> <td style="text-align: right;">392</td> <td></td> <td>Petty cash (1)</td> <td></td> <td></td> <td style="text-align: right;">87</td> </tr> <tr> <td>28</td> <td>Sales (1)</td> <td></td> <td style="text-align: right;">40</td> <td style="text-align: right;">4 800</td> <td>7</td> <td>Repairs (1)</td> <td></td> <td></td> <td style="text-align: right;">461</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>15</td> <td>SL Stores (dis. chq.) (1)</td> <td></td> <td></td> <td style="text-align: right;">210</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>29</td> <td>Sopitha (1)</td> <td style="text-align: right;">12</td> <td></td> <td style="text-align: right;">468</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>30</td> <td>Balances c/d</td> <td></td> <td style="text-align: right;">160</td> <td style="text-align: right;">125</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">8</td> <td style="text-align: right;">40</td> <td style="text-align: right;">5 192</td> <td></td> <td></td> <td style="text-align: right;">12</td> <td style="text-align: right;">160</td> <td style="text-align: right;">5 192</td> </tr> <tr> <td>2017 Oct 1</td> <td>Balances b/d</td> <td></td> <td style="text-align: right;">160 (1)OF</td> <td style="text-align: right;">125 (1)OF</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p style="margin-top: 10px;"> + (1)OF totalling discount columns + (1) dates </p>	Date	Details	Discount allowed	Cash	Bank	Date	Details	Discount received	Cash	Bank			\$	\$	\$			\$	\$	\$	2017 Sept 1	Balance b/d		120		2017 Sept 1	Balance b/d			3 841	26	Thushari (1)	8		392		Petty cash (1)			87	28	Sales (1)		40	4 800	7	Repairs (1)			461						15	SL Stores (dis. chq.) (1)			210						29	Sopitha (1)	12		468						30	Balances c/d		160	125			8	40	5 192			12	160	5 192	2017 Oct 1	Balances b/d		160 (1)OF	125 (1)OF						10
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2(c)	Loan interest to pay every year. Loan interest to pay irrespective of profits. Loan to be repaid by given date. Or other suitable point Any 1 point (1)	1
2(d)	Introduce additional capital Take a partner Convert to a limited company Mortgage the premises Borrow from family and friends See if government grants are available Or other suitable point Any 2 points (1) each	2

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3(c)	Balance b/d 1 September 2016: Value of stationery/inventory of stationery at that date. (1) Credit stationery account for previous financial year. (1) XY Limited 8 February 2017: Value of stationery purchased on credit from XY Limited. (1) Credit XY Limited account. (1) Drawings 31 July 2017: Value of stationery taken by owner for personal use. (1) Debit drawings account. (1)	6																					
3(d)	\$205	1																					
3(e)	Current assets	1																					
3(f)	<table border="1"> <thead> <tr> <th data-bbox="353 754 1088 831"></th> <th data-bbox="1088 754 1503 831">Effect on gross profit</th> <th data-bbox="1503 754 1917 831">Effect on profit for the year</th> </tr> </thead> <tbody> <tr> <td data-bbox="353 831 1088 908">General expenses omitted from income statement</td> <td data-bbox="1088 831 1503 908"><i>No effect</i></td> <td data-bbox="1503 831 1917 908"><i>Overstated</i></td> </tr> <tr> <td data-bbox="353 908 1088 984">Opening inventory over-valued</td> <td data-bbox="1088 908 1503 984">Understated (1)</td> <td data-bbox="1503 908 1917 984">Understated (1)</td> </tr> <tr> <td data-bbox="353 984 1088 1061">Wages account over-added</td> <td data-bbox="1088 984 1503 1061">No Effect (1)</td> <td data-bbox="1503 984 1917 1061">Understated (1)</td> </tr> <tr> <td data-bbox="353 1061 1088 1137">Sales returns omitted from income statement</td> <td data-bbox="1088 1061 1503 1137">Overstated (1)</td> <td data-bbox="1503 1061 1917 1137">Overstated (1)</td> </tr> <tr> <td data-bbox="353 1137 1088 1214">Carriage inwards included in the expenses in the income statement</td> <td data-bbox="1088 1137 1503 1214">Overstated (1)</td> <td data-bbox="1503 1137 1917 1214">No Effect (1)</td> </tr> <tr> <td data-bbox="353 1214 1088 1297">Purchases returns added to the purchases</td> <td data-bbox="1088 1214 1503 1297">Understated (1)</td> <td data-bbox="1503 1214 1917 1297">Understated (1)</td> </tr> </tbody> </table>		Effect on gross profit	Effect on profit for the year	General expenses omitted from income statement	<i>No effect</i>	<i>Overstated</i>	Opening inventory over-valued	Understated (1)	Understated (1)	Wages account over-added	No Effect (1)	Understated (1)	Sales returns omitted from income statement	Overstated (1)	Overstated (1)	Carriage inwards included in the expenses in the income statement	Overstated (1)	No Effect (1)	Purchases returns added to the purchases	Understated (1)	Understated (1)	10
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4(c)	<p>The business is treated as being separate from the owner. (1)</p> <p>Example Rates and insurance for personal use were excluded. (1)</p>	2
4(d)	<p>Should compare with a business in the same trade. Should compare with a business of approximately the same size. Should compare with a business of the same type (sole trader). The financial statements may be for one year, which will not show trends. The financial statements may be for one year which is not a typical year. The financial year may end on different dates (when inventories are high/low). The businesses may apply different accounting policies. The statements do not show non-monetary factors. It may not be possible to obtain all the information needed to make comparisons.</p> <p>Or other suitable points</p> <p>Any 2 points (1) for basic statement and (1) for development</p>	4

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5(c)	<p>Capital expenditure: Money spent on acquiring, improving and installing non-current assets. (1) Any suitable example, such as purchase of premises. (1)</p> <p>Revenue expenditure: Money spent on running the business on a day-to-day basis. (1) Any suitable example, such as payment of wages. (1)</p> <p>Revenue receipts: Amounts received in the day-to-day trading activities from revenue and other items of income. (1) Any suitable example, such as rent received. (1)</p>	6																																

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