



ACCOUNTING

0452/11

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

Question	Answer			Marks	
2(a)	capital = assets – liabilities (1) , or assets = capital + liabilities (1) , or liabilities = assets – capital (1)			1	
2(b)	asset – something a business owns or which is owed to the business (1) (need all) liability – something which a business owes to a third party (1) inventory – goods bought for resale not yet sold (1)			3	
2(c)	duality (1)			1	
2(d)		debit account	credit account		4
	Taha receives a cheque from Michael, a credit customer	bank (1)	Michael (1)		
	Taha writes off of a debt owed by Zoe	bad debts (1)	Zoe (1)		
2(e)	sales (ledger) (1) or Trade receivables (ledger) (1)			1	
2(f)		true	false		4
	it will increase the total of the non-current assets		√		
	it will increase the total of current assets		√ (1)		
	it will decrease cash and bank		√ (1)		
	it will require a credit entry in the provision for doubtful debts account	√ (1)			
	it will have no effect on profit for the year		√ (1)		

Question	Answer	Marks																								
2(g)	<p style="text-align: center;">Andy Factory Street Toptown</p> <p style="text-align: center;">Fred Shop Road Toptown</p> <p style="text-align: right;">Invoice no 1001</p> <p style="text-align: right;">22 May 2017</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Quantity</th> <th style="text-align: left;">Details</th> <th style="text-align: left;">Unit price</th> <th style="text-align: left;">Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">20</td> <td>Standard chair</td> <td style="text-align: right;">\$50</td> <td style="text-align: right;">1000 (1)</td> </tr> <tr> <td style="text-align: right;">10</td> <td>Luxury chair</td> <td style="text-align: right;">\$75 (1)</td> <td style="text-align: right;"><u>750 (1)</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">1750</td> </tr> <tr> <td></td> <td style="text-align: right;">10% trade discount</td> <td></td> <td style="text-align: right;"><u>175 (1) OF</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>1575 (1) OF</u></td> </tr> </tbody> </table>	Quantity	Details	Unit price	Amount	20	Standard chair	\$50	1000 (1)	10	Luxury chair	\$75 (1)	<u>750 (1)</u>				1750		10% trade discount		<u>175 (1) OF</u>				<u>1575 (1) OF</u>	5
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2(h)	\$1575 (1) OF	1																								
2(i)	credit note (1)	1																								
2(j)	Andy's business buys or manufactures goods which it then sells. (1) A service business provides a service to its customers or clients. (1)	2																								

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3(a)	Any reasonable comment for (1) mark e.g. Because purchases represent costs to the business Purchases are amounts which reduce profit Purchases are amounts paid by the business	1																																													
3(b)	Book of prime (original) entry (1)	1																																													
3(c)	<p style="text-align: center;">Zameer Purchases account</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 30%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 10%;"></td> </tr> <tr> <td>Feb 21 Balance b/d</td> <td style="text-align: right;">67 210 (1)</td> <td>Feb 28 Income statement</td> <td style="text-align: right;">68 170 (1) OF</td> <td></td> </tr> <tr> <td>28 Purchases for the week</td> <td style="text-align: right;">960 (1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;"><u>68 170</u></td> <td></td> <td style="text-align: right; border-top: 1px solid black;"><u>68 170</u></td> <td></td> </tr> </table> <p style="text-align: center;">Rent payable account</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 30%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 10%;"></td> </tr> <tr> <td>Feb 21 Balance b/d</td> <td style="text-align: right;">6 600 (1)</td> <td>Feb Income statement</td> <td style="text-align: right;">7 200 (1) OF</td> <td></td> </tr> <tr> <td>25 Bank</td> <td style="text-align: right;">1 800</td> <td>28 statement</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;"><u>8 400</u></td> <td>Balance c/d</td> <td style="text-align: right;"><u>1 200 (1)</u></td> <td></td> </tr> <tr> <td>Mar 1 Balance b/d</td> <td style="text-align: right;">1 200 (1) OF</td> <td></td> <td style="text-align: right; border-top: 1px solid black;"><u>8 400</u></td> <td></td> </tr> </table> <p>+(1) for dates</p>		\$		\$		Feb 21 Balance b/d	67 210 (1)	Feb 28 Income statement	68 170 (1) OF		28 Purchases for the week	960 (1)					<u>68 170</u>		<u>68 170</u>			\$		\$		Feb 21 Balance b/d	6 600 (1)	Feb Income statement	7 200 (1) OF		25 Bank	1 800	28 statement				<u>8 400</u>	Balance c/d	<u>1 200 (1)</u>		Mar 1 Balance b/d	1 200 (1) OF		<u>8 400</u>		8
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3(d)	Revenue (1) Revenue (1)	2																																													

Question	Answer	Marks
3(e)	(i) sales commission received rent received interest received any one for (1) mark. (ii) capital introduced proceeds of sale of non-current asset receipt of loan any one for (1) mark	2

Question	Answer	Marks																																				
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5(d)	$\frac{7\,000\text{ (1 OF)}}{174\,700\text{ (1 OF)}+30\,000\text{ (1)}} \times 100 = 3.42\% \text{ (1) OF}$ <p style="text-align: center;">OR</p> $\frac{(7\,000+3\,000)\text{ (1 OF)}}{174\,700\text{ (1 OF)}+30\,000\text{ (1)}} \times 100 = 4.89\% \text{ (1) OF}$	4																																			
5(e)	<p>mark up applied to goods for resale is lower poorer control of expenses profit is lower higher interest payable poorer utilisation of resources capital used less efficiently capital employed is higher any two for (1) mark</p>	2																																			

Question	Answer	Marks
5(f)	increase sale (1) reduce cost of sales/find cheaper supplier (1) reduce expenses (1) reduce interest payments (1) reduce capital employed (1) reduce loans and debentures (1) any three for (1) mark	3

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6(a)	Subscriptions paid in advance at the year-end (1)	1																											
6(b)	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;">current assets</th> </tr> </thead> <tbody> <tr> <td>cash and cash equivalents/bank</td> <td style="text-align: right;">\$6120 (1)</td> </tr> <tr> <td>inventory</td> <td style="text-align: right;">\$710 (1)</td> </tr> <tr> <td>subscriptions in arrears</td> <td style="text-align: right;">\$980 (1)</td> </tr> <tr> <th colspan="2" style="text-align: center;">current liabilities</th> </tr> <tr> <td>subscriptions in advance</td> <td style="text-align: right;">\$395 (1)</td> </tr> </tbody> </table>	current assets		cash and cash equivalents/bank	\$6120 (1)	inventory	\$710 (1)	subscriptions in arrears	\$980 (1)	current liabilities		subscriptions in advance	\$395 (1)	4															
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6(f)	<p>the surplus would not change (1) plus development the shop's loss would decrease (1) OR rent in the income and expenditure account would increase (1) [maximum 2]</p>	2																														