UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

International General Certificate of Secondary Education

MARK SCHEME for the October/November 2007 question paper

0452 ACCOUNTING

0452/02   Paper 2, maximum raw mark 90

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.

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UNIVERSITY *of* CAMBRIDGE
International Examinations

1 **(a)** Money measurement [1]

(b) Stock, debtors, prepayments, cash, bank (any two) [2]

(c) Capital [1]

(d) Trading (and profit and loss) account [1]
(*not just profit and loss account*)

(e) Omission, commission, principle, compensating, original entry, complete reversal (any two)
[2]

(f) A debt which the debtor is unable or does not intend to pay [1]

(g)

	Capital	Revenue
Rent paid for use of workshop		✓ (1)
Purchase of machine for workshop	✓ (1)	
Purchase of materials for use in machine		✓ (1)
Repairs to roof of workshop		✓ (1)

[4]

(h) Current assets ($11 800)**(1)** – Stock ($6 200)**(1)**/Creditors ($3 200)**(1)**
= 1.75:1 **(1)OF** (accept 1.75 but *not* %, times etc. or any negative figures)

or Debtors ($4 000)**(1)** + Bank ($1 600)**(1)**/Creditors ($3 200)**(1)**
= 1.75:1 **(1)OF** [4]

[Total: 16]

2 (a) The balance on Abdullah's cash book at 1 September 2007 is not the same as the balance on the bank statement at that date because there was an unpresented cheque **(1)** (070) for $900 **(2)** [3]
Note: answer must relate to the question, and not be general

(b)

Abdullah
Cash book (bank columns)

2007 September		$	2007 September		$
1	Balance b/d	12 300 **(1)**	8	Tarvik	1 900 **(1)**
	(accept Bal, b/d, balance)				
2	Homer	3 600 **(1)**	20	Electricity	800 **(1)**
	(name and amount for each entry)				
14	Parma	4 600 **(1)**	24	Insurance	240 **(1)**
			28	Rent	1 000 **(1)**
			30	Bank charges	75 **(1)**
			30	Balance c/d	16 485 **(1)**
		<u>20 500</u>			<u>20 500</u>
1 Oct	Balance b/d	16 485 **(1)OF**			

(+1 for dates)*(allow 1 wrong date)* [11]

(c)

Abdullah
Bank reconciliation statement at 30 September 2007

	$		
Balance at bank on 30 September	17 485 **(1)**	*(correct figure only)*	
Less: unpresented cheque (073)	<u>1 000</u> **(1)**		
Balance per cash book at 30 September	<u>16 485</u> **(2)**		
	(1)OF		[4]

Note – accept answers beginning with cash book balance.

[Total: 18]

3 **(a)** **(i)** Net book value *(accept NBV, written down value, WDV)* **(1)**

    (ii) $300 **(1)**

    (iii) $8 600 **(1)**

    (iv) Net current assets or Working capital **(1)**

    (v) $14 100 **(1)**

    (vi) (Net) Profit *(not Gross profit)* **(1)**

    (vii) $5 600 *(based on **(viii)**)* **(1)OF**

    (viii) $14 100 *(must agree with **(v)**)* **(1)OF** [8]

(b) **(i)** current ratio

= Stock + debtors + cash/bank/Creditors
= 5 200 + 8 600 + 1 100 = 14 900 **(2)**/3 800 **(1)**
= 3.92:1 **(1)OF** [4]

    (ii) return on opening capital employed

= Net profit/opening capital employed × 100
= 6 700 **(1)**/13 000 **(1)** = 51.54% **(2)OF** [4]

(c) Different type of business
Different products
Capital/labour intensive business
Business with higher net profit
Business with lower capital
– other reasonable answers (2 each) [4]

[Total: 20]

4 **(a)** Customer's name, address, date, total sales, sales returns, invoice numbers, amount due, discount, net total, cash/cheques received, terms of business, due date (any four, **(1)** each)

[4]

(b) Sasha (*not Invoice*) **(1)**
1 August 2007 **(1)**
170 **(1)**
$0.85 **(1)**
$144.50 **(1)** [5]

(c)

Zak
Cash book (Dr.)

	Detail	Discount $	Bank $	
2007				
12 August **(1)**	Sasha **(1)**	3.61 **(1)OF**	140.89 **(1)OF**	[4]

(d) [250 × $0.85] = $212.50 **(1)** × 5% **(1)** = $10.62 **(1)OF** *(but only if 5% used)* [3]

(e) $212.50 **(1)OF** – $10.62 **(1)OF** = $201.88 **(1)OF** [3]

(f) $201.88 **(1)OF** × 2.5% **(1)** = $5.05 **(1)OF** [3]

[Total: 22]

5 (a)

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Hedda and Marie
Journal

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Bank	Dr	3 400 **(1)**		
(accept two separate entries of 2 400 and 1 000 for (1) mark)				
Hedda – capital			1 800 **(1)**	
Marie – capital			600 **(1)**	
(if no names only (1) for capital of 2 400 or 1 800 + 600)				
Mish – loan			1 000 **(1)**	
Shop Fittings	Dr	850 **(1)**		
Cash register	Dr	400 **(1)**		
Purchases/Stock	Dr	1 600 **(1)**		
Bank		2 850 **(1)**		[8]
		6 250	6 250	

(b) (i) $1 000 **(1)** × 1% **(1)** = $10 **(1)OF** [3]

(ii) [$590 – $10] = $580 **(1)OF** × ¾ **(1)** = $435 **(1)OF** [3]

[Total: 14]