
ACCOUNTING

0452/12

Paper 1

October/November 2018

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 2018 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

This document consists of **19** printed pages.

PUBLISHED**Generic Marking Principles**

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Question	Answer	Marks
	Glossary (d) A $10\,000 \cdot 0.15$ B $10\,000 \cdot (0.4 - 0.15)$ C $10\,000 \cdot (1 - 0.4)$ D $10\,000 \cdot (1 - 0.15)$ (e) A $48\,700 - 29\,100 - 8000$ B $48\,700 - 8000$ C $67\,400 + 48\,700 - 29\,100 - 8000$ D $67\,400 + 48\,700 - 8000$ (h) A $1750 + 858$ B $1750 + 924$ C $1850 + 858$ D $1850 + 924$	
1(a)	D	1
1(b)	B	1
1(c)	D	1
1(d)	B	1
1(e)	D	1
1(f)	A	1
1(g)	C	1
1(h)	A	1
1(i)	C	1
1(j)	B	1

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Question	Answer	Marks																																		
2(a)	<p style="text-align: center;">Jennifer Journal</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th data-bbox="705 316 896 414">Date 2018</th> <th data-bbox="896 316 1344 414"></th> <th data-bbox="1344 316 1478 414">Debit \$</th> <th data-bbox="1478 316 1792 414">Credit \$</th> </tr> </thead> <tbody> <tr> <td data-bbox="705 414 896 478">Jun 1</td> <td data-bbox="896 414 1344 478">Delivery van/Motor vehicles</td> <td data-bbox="1344 414 1478 478">15 000</td> <td data-bbox="1478 414 1792 478" rowspan="2" style="text-align: center;">} (1) both</td> </tr> <tr> <td data-bbox="705 478 896 542"></td> <td data-bbox="896 478 1344 542">Fixtures and fittings</td> <td data-bbox="1344 478 1478 542">2 700</td> </tr> <tr> <td data-bbox="705 542 896 606"></td> <td data-bbox="896 542 1344 606">Inventory</td> <td data-bbox="1344 542 1478 606">6 200</td> <td data-bbox="1478 542 1792 606" rowspan="2" style="text-align: center;">} (1) both</td> </tr> <tr> <td data-bbox="705 606 896 670"></td> <td data-bbox="896 606 1344 670">Cash</td> <td data-bbox="1344 606 1478 670">1 500</td> </tr> <tr> <td data-bbox="705 670 896 734"></td> <td data-bbox="896 670 1344 734">Loan from Amina</td> <td data-bbox="1344 670 1478 734"></td> <td data-bbox="1478 670 1792 734">5 000 (1)</td> </tr> <tr> <td data-bbox="705 734 896 798"></td> <td data-bbox="896 734 1344 798">Capital</td> <td data-bbox="1344 734 1478 798"></td> <td data-bbox="1478 734 1792 798">20 400 (1)</td> </tr> <tr> <td data-bbox="705 798 896 861"></td> <td data-bbox="896 798 1344 861"></td> <td data-bbox="1344 798 1478 861">25 400</td> <td data-bbox="1478 798 1792 861">25 400</td> </tr> <tr> <td data-bbox="705 861 896 965"></td> <td data-bbox="896 861 1344 965">Assets, liabilities and capital at the start of the business (1)</td> <td data-bbox="1344 861 1478 965"></td> <td data-bbox="1478 861 1792 965"></td> </tr> </tbody> </table>	Date 2018		Debit \$	Credit \$	Jun 1	Delivery van/Motor vehicles	15 000	} (1) both		Fixtures and fittings	2 700		Inventory	6 200	} (1) both		Cash	1 500		Loan from Amina		5 000 (1)		Capital		20 400 (1)			25 400	25 400		Assets, liabilities and capital at the start of the business (1)			5
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2(b)	Useful because it may be necessary to recall the reasons/it can involve non-regular transactions/can contain a reference to any prime documents. (1 mark for any acceptable purpose)	1																																		

Question	Answer	Marks
2(c)	Purchase/sale of non-current assets on credit Non-regular transactions not recorded in any other book of prime entry Correction of errors Year end transfers (1 mark per use – maximum 2)	2
2(d)	2 October 2018 Purchased office equipment (1) , for cash (1) 3 October 2018 Purchased motor vehicle (1) , on credit (1) 4 October 2018 Took drawings (1) , in cash (1)	6
2(e)	Duality	1
2(f)(i)	What the business owns and what is owed to the business	1
2(f)(ii)	What the business owes	1
2(f)(iii)	Resources provided by the owner of the business/what the business owes to the owner of the business	1
2(g)	Statement of the assets, liabilities, capital (1) of the business on a certain date (1)	2

Question	Answer	Marks																																							
3(a)	<p style="text-align: center;">Saul Corrected Trial Balance at 31 March 2018</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Debit \$</th> <th style="text-align: center;">Credit \$</th> </tr> </thead> <tbody> <tr> <td>Motor vehicle at net book value</td> <td style="text-align: center;">38 000</td> <td></td> </tr> <tr> <td>Revenue</td> <td></td> <td style="text-align: center;">109 000 (1)</td> </tr> <tr> <td>Purchases</td> <td style="text-align: center;">80 230 (1)</td> <td></td> </tr> <tr> <td>Inventory</td> <td style="text-align: center;">5 100 (1)</td> <td></td> </tr> <tr> <td>Bank overdraft</td> <td></td> <td style="text-align: center;">13 900 (1)</td> </tr> <tr> <td>Cash in hand</td> <td style="text-align: center;">1 500</td> <td></td> </tr> <tr> <td>Drawings</td> <td style="text-align: center;">6 500 (1)</td> <td></td> </tr> <tr> <td>Discount allowed</td> <td style="text-align: center;">720 (1)</td> <td></td> </tr> <tr> <td>Other operating expenses</td> <td style="text-align: center;">9 350</td> <td></td> </tr> <tr> <td>Wages and salaries</td> <td style="text-align: center;">16 500</td> <td></td> </tr> <tr> <td>Capital</td> <td></td> <td style="text-align: center;">35 000</td> </tr> <tr> <td>1 OF if matching totals</td> <td style="text-align: center;">157 900</td> <td style="text-align: center;">157 900</td> </tr> </tbody> </table>		Debit \$	Credit \$	Motor vehicle at net book value	38 000		Revenue		109 000 (1)	Purchases	80 230 (1)		Inventory	5 100 (1)		Bank overdraft		13 900 (1)	Cash in hand	1 500		Drawings	6 500 (1)		Discount allowed	720 (1)		Other operating expenses	9 350		Wages and salaries	16 500		Capital		35 000	1 OF if matching totals	157 900	157 900	7
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3(b)	A book in which transactions are recorded before being entered in the ledger. Or books used to record information from source documents	1																																							

Question	Answer	Marks														
3(c)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;">Book of prime (original) entry</td> </tr> <tr> <td>Purchases</td> <td><i>Purchases journal</i></td> </tr> <tr> <td>Cash and cheques received from credit customers</td> <td>Cash book (1)</td> </tr> <tr> <td>Bad debts written off</td> <td>(General) journal (1)</td> </tr> <tr> <td>Discount received from credit suppliers</td> <td>Cash book (1)</td> </tr> <tr> <td>Sales returns</td> <td>Sales returns journal (1)</td> </tr> <tr> <td>Interest charged by credit suppliers</td> <td>(General) journal (1)</td> </tr> </table>		Book of prime (original) entry	Purchases	<i>Purchases journal</i>	Cash and cheques received from credit customers	Cash book (1)	Bad debts written off	(General) journal (1)	Discount received from credit suppliers	Cash book (1)	Sales returns	Sales returns journal (1)	Interest charged by credit suppliers	(General) journal (1)	5
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<p>* 1 mark for both opening balances.</p>																																																																		

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3(e)	<p>Helps to prove the arithmetical accuracy of sales ledger</p> <p>Helps to reduce fraud</p> <p>Can (assist in) locating errors, allow help, identify errors</p> <p>Easy access to total receivables figure</p> <p>Quicker production of financial statements</p> <p>Provides a summary of transactions relating to trade receivables</p> <p>(1 mark per benefit, maximum 2)</p>	2

Question	Answer	Marks																																			
4(a)	<table border="1"> <thead> <tr> <th></th> <th>Capital expenditure</th> <th>Revenue expenditure</th> <th>Capital receipt</th> <th>Revenue receipt</th> </tr> </thead> <tbody> <tr> <td>Motor vehicle repairs</td> <td></td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Legal fees on purchase of office building</td> <td>✓ (1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Purchase of goods for resale</td> <td></td> <td>✓ (1)</td> <td></td> <td></td> </tr> <tr> <td>Insurance of plant and equipment</td> <td></td> <td>✓ (1)</td> <td></td> <td></td> </tr> <tr> <td>Proceeds of sale of fixtures at net book value</td> <td></td> <td></td> <td>✓ (1)</td> <td></td> </tr> <tr> <td>Discount received from supplier</td> <td></td> <td></td> <td></td> <td>✓ (1)</td> </tr> </tbody> </table>		Capital expenditure	Revenue expenditure	Capital receipt	Revenue receipt	Motor vehicle repairs		✓			Legal fees on purchase of office building	✓ (1)				Purchase of goods for resale		✓ (1)			Insurance of plant and equipment		✓ (1)			Proceeds of sale of fixtures at net book value			✓ (1)		Discount received from supplier				✓ (1)	5
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4(c)	<p style="text-align: center;">Ahmed Statement of corrected gross profit for the year ended 30 September 2018</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: auto;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 10%;">Increase \$</th> <th style="width: 10%;"></th> <th style="width: 10%;">Decrease \$</th> <th style="width: 10%;"></th> <th style="width: 10%;">\$</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>Draft gross profit</td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">24 200</td> <td></td> </tr> <tr> <td>Disposal proceeds</td> <td></td> <td></td> <td style="text-align: right;">2 600</td> <td style="text-align: center;">(1)</td> <td></td> <td></td> </tr> <tr> <td>Capital expenditure</td> <td style="text-align: right;">15 000</td> <td style="text-align: center;">(1)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">15 000</td> <td></td> <td style="text-align: right;">2 600</td> <td></td> <td style="text-align: right;">12 400</td> <td></td> </tr> <tr> <td>Corrected gross profit</td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">36 600</td> <td style="text-align: center;">(1) OF</td> </tr> </tbody> </table>					Increase \$		Decrease \$		\$		Draft gross profit					24 200		Disposal proceeds			2 600	(1)			Capital expenditure	15 000	(1)						15 000		2 600		12 400		Corrected gross profit					36 600	(1) OF	3
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4(f)	<p style="text-align: center;">Khalid Extract from Statement of Financial Position at 31 March 2018</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">Cost</td> <td style="text-align: center;">Accumulated depreciation</td> <td style="text-align: center;">Net book value</td> </tr> <tr> <td style="text-align: center;">Office equipment</td> <td style="text-align: center;">10 000 (1)</td> <td style="text-align: center;">5 300 (1)OF</td> <td style="text-align: center;">4 700 (1)OF</td> </tr> </tbody> </table>		\$	\$	\$		Cost	Accumulated depreciation	Net book value	Office equipment	10 000 (1)	5 300 (1)OF	4 700 (1)OF	3
	\$	\$	\$											
	Cost	Accumulated depreciation	Net book value											
Office equipment	10 000 (1)	5 300 (1)OF	4 700 (1)OF											
4(g)	Accruals (matching), Prudence	1												

Question	Answer	Marks																								
5(a)	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Direct material</th> <th style="text-align: center;">Direct labour</th> <th style="text-align: center;">Factory overhead</th> </tr> </thead> <tbody> <tr> <td>Purchase of plastic toy parts</td> <td style="text-align: center;">✓</td> <td></td> <td></td> </tr> <tr> <td>Rent of factory</td> <td></td> <td></td> <td style="text-align: center;">✓ (1)</td> </tr> <tr> <td>Wages of machine operator</td> <td></td> <td style="text-align: center;">✓ (1)</td> <td></td> </tr> <tr> <td>Purchase of packaging</td> <td style="text-align: center;">✓ (1)</td> <td></td> <td></td> </tr> <tr> <td>Wages of supervisor</td> <td></td> <td></td> <td style="text-align: center;">✓ (1)</td> </tr> </tbody> </table>		Direct material	Direct labour	Factory overhead	Purchase of plastic toy parts	✓			Rent of factory			✓ (1)	Wages of machine operator		✓ (1)		Purchase of packaging	✓ (1)			Wages of supervisor			✓ (1)	4
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5(b)	Total of direct materials plus direct labour (1) plus direct expenses/royalties (1)	2																								

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5(e)	Cheaper to buy than make Cannot manufacture those particular items themselves Production cannot keep up with demand 1 mark per point – maximum 2	2
5(f)	Prudence or Accruals (matching)	1
5(g)	Lower sales activity/no reference to selling price Higher levels of inventory Cost of sales is decreased Cheaper suppliers (or other acceptable reason) 1 mark per point - maximum 2	2
5(h)	Different type of goods Food is a necessity Food sells quicker than toys Food must be sold more quickly Food might spoil (or other acceptable reason) 1 mark per point - maximum 2	2

https://xtremepape.rs/

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