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ACCOUNTING**0452/23**

Paper 2 Structured Written Paper

October/November 2024**1 hour 45 minutes**

You must answer on the question paper.

No additional materials are needed.

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.
- International accounting terms and formats should be used as appropriate.
- You should show your workings.

INFORMATION

- The total mark for this paper is 100.
- The number of marks for each question or part question is shown in brackets [].
- Where you are asked to complete a layout, you may not need all the lines for your answer.

This document has **24** pages. Any blank pages are indicated.



1 Jenny runs a small trading business.

Jenny received her bank statement which showed a credit balance of \$1367 on 29 February 2024. On the same date her bank column in her cash book showed an overdrawn balance of \$1933.

When comparing her bank statement and cash book she found that the following items appeared on her bank statement and not in her cash book:

February		\$
26	M Stores, a credit customer, had paid by bank transfer	1 900
26	Interest received	358
27	A cheque previously received from C Stores had been dishonoured	1 121
28	Bank charges	125
28	A direct debit for electricity had been taken	290

The following items appeared in her cash book but not on her bank statement

February		\$
23	A cheque paid to B Properties	1 025
27	A payment by credit transfer to pay for rent and insurance	2 300
28	A cheque received from a credit customer Y Traders was paid into the bank	792

Upon investigation, she discovered the following error:

A cheque made payable to D Sports \$45 had been recorded in the bank column of her cash book. The cheque had been written from her personal account to pay for her gym membership.

REQUIRED:

(a) Update the bank column of Jenny's cash book.

Balance the account and bring down the balance on 1 March 2024.

Jenny Cash book – bank columns

Date	Details	\$	Date	Details	\$
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[7]





(b) Prepare a bank reconciliation statement at 29 February 2024.

Start with the balance from Jenny's bank statement.

Jenny
Bank reconciliation at 29 February 2024

	\$	\$
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[5]

(c) Suggest **two** advantages of preparing a bank reconciliation statement.

- 1
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-
- 2
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-

[2]

(d) Explain why a bank overdraft is shown as a debit balance on a bank statement.

-
-
-

[1]



REQUIRED:

- [5]

[Total: 20]



Question 2 is on page 6.





- 2 Ali and Sai are in partnership. Their financial year ends on 30 June. Their partnership agreement includes the following items.

Interest on capital is allowed at 6% per annum.

Interest on drawings is charged at 5%.

Sai is entitled to a partnership salary of \$10 050 per annum.

Ali and Sai share residual profits and losses in the ratio 3:2.

Ali and Sai have provided the following information:

	Ali \$	Sai \$
Drawings for the year ended 30 June 2024	11 000	16 000
Capital at 1 July 2023	60 000	40 000
Current account at 1 July 2023	1800 debit	250 credit

Profit for the year before interest on loan was \$42 700.

Ali provided a loan to the partnership of \$10 000 at an interest rate of 5% per annum. The interest payment for the year ended 30 June 2024 has been made. The partnership has no other loans.

REQUIRED:

- (a) Prepare the profit and loss appropriation account on page 7 for the year ended 30 June 2024.





Ali and Sai
Profit and loss appropriation account for the year ended 30 June 2024

	\$	\$
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[8]





- (b) Prepare the capital and current accounts for Sai for the year ended 30 June 2024 and bring down the balances on 1 July 2024.

Sai
Capital account for the year ended 30 June 2024

Date	Details	\$	Date	Details	\$
.....					
.....					
.....					
.....					
.....					

Sai
Current account for the year ended 30 June 2024

Date	Details	\$	Date	Details	\$
.....					
.....					
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[8]





(c) State **two** disadvantages of operating as a partnership.

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..... [2]

(d) Prepare the journal entry to record the payment of interest on the loan provided by Ali. A narrative is **not** required.

Ali & Sai Journal		
Details	Debit \$	Credit \$

[2]

[Total: 20]





- 3 Natalie prepared her trial balance at the end of the year 31 March 2024. The totals did not agree and she had to open a suspense account. The debit side of the trial balance was \$357 higher than the credit side.

Natalie later discovered the following errors.

- 1 A bank transfer, \$420, received from a credit customer Sarah had been correctly recorded in the bank but no other entry had been made.
- 2 Natalie contributed a personal vehicle to the business valued at \$7000. This had been debited to the capital account and credited to the vehicle maintenance account.
- 3 Purchases of \$270 had been correctly entered in the suppliers account but had been debited as \$207 in the purchases account.
- 4 No entry had been made for general expenses, \$126, paid by bank transfer.
- 5 Cash drawings of \$200 had been debited to the cash account and credited to the drawings account.

REQUIRED:

- (a) Prepare the journal entries on page 11 required to correct errors 1 to 5. Narratives are **not** required.





Natalie
Journal

Error number	Details	Debit \$	Credit \$
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[10]





(b) Prepare the suspense account at 31 March 2024.

Natalie
Suspense Account

Date	Details	\$	Date	Details	\$
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.....					
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.....					
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.....					

[3]

(c) Complete the table by identifying the type of errors that occurred in errors 4 and 5.

Error Number	Error type
Error 4	
Error 5	

[2]

(d) Complete the table below by placing a tick (✓) in the appropriate column to indicate the effect on the profit for the year **after** correcting each of the errors.

Error Number	Effect on profit		
	decrease	increase	no effect
Error 1			
Error 2			
Error 3			
Error 4			
Error 5			

[5]

[Total: 20]





- 4 A company has a fleet of delivery vehicles. Information from their statement of financial position at 31 December 2022 shows that the vehicles originally cost \$440 000 with accumulated depreciation of \$270 000.

The business purchased two additional vehicles costing a total of \$70 000 on 1 April 2023 on credit from L Autos.

On 30 November 2023, the business sold one of its vehicles. The vehicle had originally cost \$28 000 with accumulated depreciation of \$16 800. The vehicle was sold for \$10 500 to a local garage who paid by bank transfer.

The business provides for depreciation using the straight-line method at a rate of 20% per annum.

A full year's depreciation is charged in the year of purchase.

No depreciation is charged in the year of disposal.

REQUIRED:

- (a) Calculate the depreciation charge for the year ended 31 December 2023.

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.....

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..... [2]





- (b) Prepare the company's ledger accounts for the delivery vehicles, provision for depreciation and disposal of delivery vehicles for the year ended 31 December 2023.

Balance the accounts and bring down the balances on 1 January 2024.

Delivery vehicles account

Date	Details	\$	Date	Details	\$
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Provision for depreciation of delivery vehicles account

Date	Details	\$	Date	Details	\$
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Disposal of delivery vehicles account

Date	Details	\$	Date	Details	\$
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[10]



REQUIRED:

- [5]

[5]

- (d) Complete the following table by placing a tick (✓) in the appropriate column to indicate the most suitable method of depreciation for each of the non-current assets.

Non-current asset	Straight-line	Revaluation	No depreciation
Land			
Fixtures & fittings			
Loose tools			

[3]

[Total: 20]





- 5 The following information was provided by G Limited, a manufacturing company, for the year ended 31 March 2024.

	\$
Purchases:	
Raw materials	68 000
Finished goods	32 413
Wages:	
Factory operatives	183 700
Factory supervisors	47 200
Administration salaries	34 925
Factory machinery at cost	247 000
Provision for depreciation of factory machinery	51 500
Factory general expenses	20 250
Rates & insurance	7 100
Administration expenses	5 470
Carriage on purchases of finished goods	2 180
Royalties	3 240

	1 April 2023	31 March 2024
	\$	\$
Inventory:		
Raw materials	18 200	19 280
Work in progress	23 400	22 650
Finished goods	6 820	9 350

Additional information

- 1 Factory machinery is to be depreciated at 15% per annum using the reducing balance method.
- 2 On 31 March 2024 rates, \$620, were owing.
- 3 Rates and insurance are to be apportioned 60% to the factory and 40% to the office.





G Limited
Manufacturing account for the year ended 31 March 2024

[illegible]



G Limited apply a standard rate of mark-up of 35%.

REQUIRED:

- (b) Prepare the trading section of the income statement of G Limited for the year ended 31 March 2024.

G Limited
Income Statement (Trading section) for the year ended 31 March 2024

	\$	\$
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[5]





..... [5]

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