

Cambridge IGCSE™ (9–1)

ACCOUNTING**0985/22**

Paper 2 Structured

May/June 2025

MARK SCHEME

Maximum Mark: 100

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 May/June 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **14** printed pages.

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 descriptions 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.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	Indicates a point which is relevant and rewardable
	Indicates a point which is inaccurate/irrelevant and not rewardable
BOD	Used when the benefit of the doubt is given in order to reward a response
A	An extraneous figure or item in the statement
OF	Own figure
SEEN	Indicates that content has been recognised but not rewarded
REP	Indicates where content has been repeated.

Question	Answer												Marks
1(a)	Kadima Cash Book												12
	Date	Details	Disc Allowed	Cash	Bank	Date	Details	Disc Rece	Cash	Bank			
	2025		\$	\$	\$	2025		\$	\$	\$			
	Mar 1	Balance b/d				Mar 4	Lee	(1)					
	6	Sophiah	(1)			14	Motor expenses	(1)	4		196		
	19	Merve	(1)			22	Mark	(1)			240		
	28	Bank*				28	Cash	(1)*	10		400		
						29	Wages	(1)			362		
						30	Motor expenses	(1)				91	
						31	Balance c/d		62		579		
								(1)OF	14**	450	1506		
	Apr 1	Balance b/d											
			9**	450	1506								
				62	579								
			(1)OF	(1)OF									

(1)* for both entries of transfer of cash to bank
 ** for both totals
 +(1) for dates

Question	Answer	Marks												
1(b)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="text-align: center;">\$</td> <td style="width: 50%;"></td> </tr> <tr> <td>Cash book balance</td> <td style="text-align: center;">579</td> <td style="text-align: center;">(1)OF</td> </tr> <tr> <td>Cash book error (357 – 375)</td> <td style="text-align: center;"><u>(18)</u></td> <td style="text-align: center;">(1)</td> </tr> <tr> <td>Revised cash book balance</td> <td style="text-align: center;"><u><u>561</u></u></td> <td style="text-align: center;">(1)OF</td> </tr> </table>		\$		Cash book balance	579	(1)OF	Cash book error (357 – 375)	<u>(18)</u>	(1)	Revised cash book balance	<u><u>561</u></u>	(1)OF	3
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Cash book error (357 – 375)	<u>(18)</u>	(1)												
Revised cash book balance	<u><u>561</u></u>	(1)OF												
1(c)	<p>For requiring bank transfers and increased cash discount</p> <p>Record keeping would be easier (1)</p> <p>Increase in cash discount may attract more customers / increase sales (1)</p> <p>Most businesses use bank transfers (1)</p> <p>Money is usually safer in the bank, than being held in cash / reduces risk of theft / fraud (1)</p> <p>No need to visit the bank to pay in cheques (1)</p> <p>Cheques may be returned unpaid (1)</p> <p>Cheques take time to clear (1)</p> <p>Accept other valid points</p> <p>Max (3)</p> <p>Against requiring bank transfers and increased cash discount</p> <p>Increased cash discount allowed would reduce profitability (1)</p> <p>Bank charges may increase (1)</p> <p>Some customers/suppliers may prefer to deal in cash/cheques (1)</p> <p>Not all customers may have a bank account (1)</p> <p>Employees may prefer to continue to be paid in cash (1)</p> <p>Accept other valid points</p> <p>Max (3)</p> <p>Overall For and Against: Max (4)</p> <p>Recommendation (1)</p>	5												

Question	Answer	Marks																																
2(a)	<p style="text-align: center;">Farah and Salma Appropriation Account for the year ended 28 February 2025</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: right;">\$</td> <td style="width: 50%; text-align: right;">\$</td> </tr> <tr> <td style="text-align: right;">Profit for the year</td> <td style="text-align: right;">38 175</td> </tr> <tr> <td style="text-align: right;">Add Interest on drawings</td> <td style="text-align: right;">95 (1)</td> </tr> <tr> <td style="text-align: right;">Farah</td> <td style="text-align: right;">210 (1)</td> </tr> <tr> <td style="text-align: right;">Salma</td> <td style="text-align: right;">305</td> </tr> <tr> <td></td> <td style="text-align: right;">38 480</td> </tr> <tr> <td colspan="2">Less</td> </tr> <tr> <td style="text-align: right;">Interest on capital: Farah</td> <td style="text-align: right;">1 040 }</td> </tr> <tr> <td style="text-align: right;">Salma</td> <td style="text-align: right;">1 500 } (1)</td> </tr> <tr> <td></td> <td style="text-align: right;">2 540</td> </tr> <tr> <td style="text-align: right;">Salary – Farah</td> <td style="text-align: right;">11 200 (1)</td> </tr> <tr> <td></td> <td style="text-align: right;">13 740</td> </tr> <tr> <td></td> <td style="text-align: right;">24 740</td> </tr> <tr> <td style="text-align: right;">Profit share: Farah (30% × 24 740)</td> <td style="text-align: right;">7 422 (1) OF</td> </tr> <tr> <td style="text-align: right;">Salma (70% × 24 740)</td> <td style="text-align: right;">17 318 (1) OF</td> </tr> <tr> <td></td> <td style="text-align: right;">24 740</td> </tr> </table> <p style="text-align: center;">(Farah $(14 250 \times 4\% \times 2/12) = 95$* Salma $(14 250 \times 4\% \times 2/12) + (5 750 \times 4\% \times 6/12) = 210$**</p>	\$	\$	Profit for the year	38 175	Add Interest on drawings	95 (1)	Farah	210 (1)	Salma	305		38 480	Less		Interest on capital: Farah	1 040 }	Salma	1 500 } (1)		2 540	Salary – Farah	11 200 (1)		13 740		24 740	Profit share: Farah (30% × 24 740)	7 422 (1) OF	Salma (70% × 24 740)	17 318 (1) OF		24 740	6
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2(c)	<p>There may be insufficient money in the bank / reduces liquidity (1) There may be a limit on drawings (stated in the partnership agreement) (1) May damage the relationship between the partners (1) Salma would have to pay interest on drawings (1)</p> <p>Accept other valid points</p> <p>Max (2)</p>	2
2(d)	<p>Advantages of converting to a limited company</p> <p>Easier to raise capital / finance / loans (1) Shareholders have limited liability (1) Workload / responsibility is shared (1) Profit may increase (1) Farah receives an increase in salary (1) Limited company has continuity of existence / there is separate legal identity (1)</p> <p>Accept other valid points</p> <p>Max (3)</p> <p>Disadvantages of converting to a limited company</p> <p>Farah and Salma would lose control (1) The brothers may have no business experience (1) Increased legal and administrative costs (1) Cash / profit may be reduced to pay salaries/dividends (1) The investment may not be sufficient to fund the expansion (1)</p> <p>Accept other valid points</p> <p>Max (3)</p> <p>Overall Advantages and Disadvantages: Max (4)</p> <p>Recommendation (1)</p>	5

Question	Answer						Marks																																																
3(a)	<p style="text-align: center;">Jasmine Provision for depreciation of motor vehicles account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date 2025</th> <th style="width: 30%;">Details</th> <th style="width: 10%; text-align: center;">\$</th> <th style="width: 15%;">Date 2024</th> <th style="width: 30%;">Details</th> <th style="width: 10%; text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td>Apr 1</td> <td>Balance b/d</td> <td>(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2025</td> <td></td> <td>7 000</td> </tr> <tr> <td>Mar 31</td> <td>Balance c/d</td> <td style="text-align: center;">13 750</td> <td>Mar 31</td> <td>Income statement * (2)CF or (1)**</td> <td style="text-align: center;">6 750</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">13 750</td> <td></td> <td></td> <td style="text-align: center;">13 750</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2025</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Apr 1</td> <td>Balance b/d</td> <td>(1)OF</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">13 750</td> </tr> </tbody> </table>						Date 2025	Details	\$	Date 2024	Details	\$				Apr 1	Balance b/d	(1)				2025		7 000	Mar 31	Balance c/d	13 750	Mar 31	Income statement * (2)CF or (1)**	6 750			13 750			13 750				2025						Apr 1	Balance b/d	(1)OF						13 750	4
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	<p style="text-align: center;">* $(16 000 - 7 000 + 18 000 =) 27 000 \times 25\% = 6 750$ **2250 or 4500 = 1 must be a credit entry with IS label</p>																																																						
3(b)	<p style="text-align: center;">Jasmine Provision for doubtful debts account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date 2025</th> <th style="width: 30%;">Details</th> <th style="width: 10%; text-align: center;">\$</th> <th style="width: 15%;">Date 2024</th> <th style="width: 30%;">Details</th> <th style="width: 10%; text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td>Apr 1</td> <td>Balance b/d</td> <td>(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2025</td> <td></td> <td>366</td> </tr> <tr> <td>Mar 31</td> <td>Income statement (1)OF Balance c/d</td> <td style="text-align: center;">21 345 366</td> <td>Mar 31</td> <td>Balance b/d*</td> <td style="text-align: center;">(2)CF or (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">345</td> </tr> </tbody> </table>						Date 2025	Details	\$	Date 2024	Details	\$				Apr 1	Balance b/d	(1)				2025		366	Mar 31	Income statement (1)OF Balance c/d	21 345 366	Mar 31	Balance b/d*	(2)CF or (1)						345	4																		
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3(d)	<p style="text-align: center;">Jasmine Statement of Financial Position as at 31 March 2025</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Current Assets</td> <td style="width: 40%; text-align: right;">\$</td> </tr> <tr> <td>Trade receivables (11 800 – 300)</td> <td style="text-align: right;">11 500</td> </tr> <tr> <td>Less Provision for doubtful debts</td> <td style="text-align: right; border-top: 1px solid black;">345 OF</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">11 155 (1)OF</td> </tr> <tr> <td>Other receivables</td> <td style="text-align: right; border-top: 1px solid black;">925 (1)</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">12 080 (1)OF</td> </tr> </table>	Current Assets	\$	Trade receivables (11 800 – 300)	11 500	Less Provision for doubtful debts	345 OF		11 155 (1)OF	Other receivables	925 (1)		12 080 (1)OF	3																																																
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3(e)(i)	Depreciation is charged using the same method each year. (1)	1																																																												
3(e)(ii)	Obtaining credit references / Establishing credit limits (1) Sending invoices and statements promptly (1) Improve credit control / monitoring/investigating/chasing overdue accounts (1) Refusing to supply customers until outstanding amounts have been paid (1) Taking legal action (1) Max (1)	1																																																												
3(e)(iii)	Matching / accruals (1)	1																																																												

Question	Answer				Marks																					
4(a)	<p style="text-align: center;">Bilal Journal</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="478 282 635 377">Error number</th><th data-bbox="635 282 1454 377">Details</th><th data-bbox="1454 282 1589 377">Debit \$</th><th data-bbox="1589 282 1791 377">Credit \$</th></tr> </thead> <tbody> <tr> <td data-bbox="478 377 635 473">1</td><td data-bbox="635 377 1454 473">Cash Purchases</td><td data-bbox="1454 377 1589 473">185 (1)</td><td data-bbox="1589 377 1791 473">185 (1)</td></tr> <tr> <td data-bbox="478 473 635 568">2</td><td data-bbox="635 473 1454 568">Motor expenses Bank</td><td data-bbox="1454 473 1589 568">27 (1)</td><td data-bbox="1589 473 1791 568">27 (1)</td></tr> <tr> <td data-bbox="478 568 635 663">3</td><td data-bbox="635 568 1454 663">Bank loan Capital</td><td data-bbox="1454 568 1589 663">2000 (1)</td><td data-bbox="1589 568 1791 663">2000(1)</td></tr> <tr> <td data-bbox="478 663 635 822">4</td><td data-bbox="635 663 1454 822">Purchases Moira Maya</td><td data-bbox="1454 663 1589 822">168 (1)</td><td data-bbox="1589 663 1791 822">84 (1) 84 (1)</td></tr> <tr> <td data-bbox="478 822 635 917">5</td><td data-bbox="635 822 1454 917">Drawings Insurance</td><td data-bbox="1454 822 1589 917">130 (1)</td><td data-bbox="1589 822 1791 917">130 (1)</td></tr> </tbody> </table>	Error number	Details	Debit \$	Credit \$	1	Cash Purchases	185 (1)	185 (1)	2	Motor expenses Bank	27 (1)	27 (1)	3	Bank loan Capital	2000 (1)	2000(1)	4	Purchases Moira Maya	168 (1)	84 (1) 84 (1)	5	Drawings Insurance	130 (1)	130 (1)	11
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Question	Answer	Marks
4(b)	<p>Original profit for the year \$ 12 930</p> <p>Error 1 185 (1)</p> <p>Error 2 (27) (1)</p> <p>Error 4 (168) (1)</p> <p>Error 5 130 (1)</p> <p>Draft profit for the year after correcting errors <u>13 050</u> (1)OF</p>	5
4(c)	<p>Capital at 1 January 2024 \$ 6 200</p> <p>Revised draft profit 13 050 (1)OF</p> <p>Capital introduced 2 000 (1)</p> <p><u>21 250</u></p> <p>Less Drawings (11 260 + 130) (11 390) (1)</p> <p><u>9 860</u> (1)OF</p>	4

Question	Answer	Marks																		
5(a)	<p style="text-align: center;">Rexford Purchases ledger control account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 40%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 15%;">Date</th> <th style="width: 40%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>2024 Dec 31</td> <td>Bank } Discount received } (1) Balance c/d (5 680 × 1.25)</td> <td>68 100 380 7 100 <u>75 580</u></td> <td>2024 Jan 1 Dec 31</td> <td>Balance b/d Purchases</td> <td>(1)OF 5 680 69 900 <u>75 580</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>2025 Jan 1</td> <td>Balance b/d</td> <td>(1) 7 100</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	2024 Dec 31	Bank } Discount received } (1) Balance c/d (5 680 × 1.25)	68 100 380 7 100 <u>75 580</u>	2024 Jan 1 Dec 31	Balance b/d Purchases	(1)OF 5 680 69 900 <u>75 580</u>				2025 Jan 1	Balance b/d	(1) 7 100	4
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Question	Answer	Marks
5(d)	<p>For employing a bookkeeper</p> <p>More reliable records / more accurate records / less errors (1) More up-to-date figures available, e.g. bank, trade receivables, trade payables (1) Time freed up for other tasks (1) Payments to trade payables will be monitored so that more cash discount is claimed (1) More detailed records would be available for reference purposes / easier to prepare financial statements (1)</p> <p>Accept other valid points</p> <p>Max (2)</p> <p>Against employing a bookkeeper</p> <p>The salary would reduce profit / increases expenses (1) There would be a reduction in cash/liquidity. (1) The money may be better spent elsewhere e.g. new fixtures and fittings (1) The book-keeper will not prepare the financial statements (1)</p> <p>Accept other valid points</p> <p>Max (2)</p> <p>Overall For and Against: Max (4)</p> <p>Recommendation (1)</p>	5