

Cambridge IGCSE™ (9–1)

ACCOUNTING**0985/22**

Paper 2 Structured

October/November 2024**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 October/November 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **17** 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.

**Social Science-Specific Marking Principles
(for point-based marking)****1 Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- a** DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- b** DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- c** DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require n reasons (e.g. State two reasons ...).
- d** DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- e** DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
- f** DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
- g** DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotation	Description	Use
	Tick	Indicates a point which is relevant and rewardable.
	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
BOD	Benefit of doubt	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	OF	Own figure
SEEN	Noted but no credit given	Indicates that content has been recognised but not rewarded.
REP	Repetition	Indicates where content has been repeated.

Question	Answer											Marks																																																																																																																																																	
1(a)	<p style="text-align: center;">Kalima Cash book</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th><th>Details</th><th>Discount allowed</th><th>Cash</th><th>Bank</th><th></th><th>Date</th><th>Details</th><th>Discount Received</th><th>Cash</th><th>Bank</th><th></th></tr> </thead> <tbody> <tr> <td>2024</td><td></td><td>\$</td><td>\$</td><td>\$</td><td></td><td>2024</td><td></td><td>\$</td><td>\$</td><td>\$</td><td></td></tr> <tr> <td>Sept 1</td><td>Balance b/d</td><td></td><td>240</td><td></td><td></td><td>Sept 1</td><td>Balance b/d</td><td></td><td></td><td></td><td>890</td></tr> <tr> <td>3</td><td>Sales</td><td></td><td>478</td><td></td><td>(1)</td><td>2</td><td>Stationery</td><td></td><td>82</td><td></td><td>(1)</td></tr> <tr> <td>14</td><td>Elizah</td><td>13</td><td></td><td>507</td><td>(1)</td><td>3</td><td>Badr</td><td></td><td></td><td>30</td><td>(1)</td></tr> <tr> <td>16</td><td>Cash</td><td></td><td></td><td>120</td><td>(1)</td><td>5</td><td>Wages</td><td></td><td></td><td>1 390</td><td>(1)</td></tr> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td>10</td><td>Drawings</td><td></td><td></td><td>150</td><td>(1)</td></tr> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td>16</td><td>Bank</td><td></td><td>120</td><td></td><td>(1)</td></tr> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td>21</td><td>Gulnar</td><td>4</td><td></td><td>196</td><td>(1)</td></tr> <tr> <td>30</td><td>Balance c/d</td><td></td><td>2 029</td><td></td><td></td><td>30</td><td>Balance c/d</td><td></td><td>516</td><td></td><td></td></tr> <tr> <td></td><td></td><td>13</td><td>718</td><td>2 656</td><td></td><td></td><td></td><td>4</td><td>718</td><td>2 656</td><td>(1)OF*</td></tr> <tr> <td>Oct 1</td><td>Balance b/d</td><td></td><td>516</td><td></td><td>(1)OF</td><td>Oct 1</td><td>Balance b/d</td><td></td><td></td><td>2 029</td><td>(1)OF</td></tr> </tbody> </table>												Date	Details	Discount allowed	Cash	Bank		Date	Details	Discount Received	Cash	Bank		2024		\$	\$	\$		2024		\$	\$	\$		Sept 1	Balance b/d		240			Sept 1	Balance b/d				890	3	Sales		478		(1)	2	Stationery		82		(1)	14	Elizah	13		507	(1)	3	Badr			30	(1)	16	Cash			120	(1)	5	Wages			1 390	(1)							10	Drawings			150	(1)							16	Bank		120		(1)							21	Gulnar	4		196	(1)	30	Balance c/d		2 029			30	Balance c/d		516					13	718	2 656				4	718	2 656	(1)OF*	Oct 1	Balance b/d		516		(1)OF	Oct 1	Balance b/d			2 029	(1)OF	13
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Question	Answer						Marks																																											
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1(d)	Current Assets						1																																											

Question	Answer			Marks
2(a)		Workings	Answer \$	2
	Capital at 1 April 2023	$140\ 000 + 92\ 000 - 10\ 000 + 24\ 600 + 39\ 600 - 24\ 750 - 3\ 200 + 1\ 650$	259 900 (1)	
	Capital at 31 March 2024	$140\ 000 + 106\ 000 - 36\ 000 + 42\ 000 + 43\ 400 - 19\ 700 + 13\ 000 + 1\ 200$	289 900 (1)	

Question	Answer				Marks
2(b)		Added to opening capital	Deducted from opening capital	Total	4
		\$	\$	\$	
	Capital at 1 April 2023			259 900	
	Capital Introduced	10 000 (1)			
	Profit for the year	20 620 (1) OF			
	Drawings		620(1)		
	Total adjustments	30 620	620	30 000	
	Capital at 31 March 2024			289 900(1)OF*	
* For both opening and closing capital figures					
2(c)(i)	Either				3
	Payments to credit suppliers	\$ 224 700			
	Add closing trade payables	19 700 *			
		244 400			
	Less opening trade payables	(24 750) *(1) both opening & closing figures			
		219 650			
	Less drawings	(620) (1)			
		219 030 (1)OF			
Or					
	Bank	224 700	Balance b/d	24 750 *	
	Balance c/d	19 700 *(1)	Drawings	620 (1)	
		244 400	Purchases	219 030 (1)OF	
				244 400	

Question	Answer	Marks																						
2(c)(ii)	<p>Either</p> <table style="margin-left: 200px;"> <tr> <td style="text-align: right;">Payments received from credit customers</td> <td style="text-align: right;">\$ 452 000</td> </tr> <tr> <td style="text-align: right;">Add closing trade receivables</td> <td style="text-align: right;">43 400</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>495 400</u></td> </tr> <tr> <td style="text-align: right;">Less opening trade receivables</td> <td style="text-align: right;">(39 600) *(1) both opening & closing figures</td> </tr> <tr> <td style="text-align: right;">Total credit sales</td> <td style="text-align: right;"><u>455 800</u></td> </tr> <tr> <td style="text-align: right;">Cash Sales</td> <td style="text-align: right;">21 000 (1)</td> </tr> <tr> <td style="text-align: right;">Total sales for the year</td> <td style="text-align: right;"><u>476 800</u> (1) OF</td> </tr> </table> <p>Or</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Balance b/d</td> <td style="width: 50%; text-align: right;">39 600 * <u>476 800</u> (1)OF</td> <td style="width: 50%;">Bank</td> <td style="width: 50%; text-align: right;">452 000 Cash sales Balance c/d</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>516 400</u></td> <td></td> <td style="text-align: right;">21 000 (1) <u>43 400</u> *(1) <u>516 400</u></td> </tr> </table>	Payments received from credit customers	\$ 452 000	Add closing trade receivables	43 400		<u>495 400</u>	Less opening trade receivables	(39 600) *(1) both opening & closing figures	Total credit sales	<u>455 800</u>	Cash Sales	21 000 (1)	Total sales for the year	<u>476 800</u> (1) OF	Balance b/d	39 600 * <u>476 800</u> (1)OF	Bank	452 000 Cash sales Balance c/d		<u>516 400</u>		21 000 (1) <u>43 400</u> *(1) <u>516 400</u>	3
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2(d)	<p>Advantages (2)</p> <p>Preparation of financial statements would be quicker / easier Better control over business activities / able to track transactions / income and expenses Chances of fraud reduced / errors may be reduced Comparison with previous years / aids decision making Information required by a bank/investor readily available Allow Ben time to concentrate on other business activities</p> <p>Accept other valid points</p> <p>Disadvantages (2)</p> <p>Salary of book-keeper to pay Profit may not be adequate to cover the cost of employing the book-keeper. Additional costs on top of salary paid. Problems of recruiting suitable / trained candidate</p> <p>Accept other valid points</p> <p>Recommendation (1)</p>	5																						
2(e)(i)	Prudence Or Matching / accruals	1																						

Question	Answer				Marks
2(e)(ii)		Profit for the year	Trade receivables	Cash at bank	2
	Increase				
	Decrease	✓	✓		
	No effect			✓	

Question	Answer	Marks																																							
3(a)	<p style="text-align: center;">Sports T Café Income Statement for the year ended 31 December 2023</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;"></th> <th style="text-align: right; width: 20%;"></th> </tr> <tr> <th></th> <th style="text-align: right;">\$</th> <th style="text-align: right;">\$</th> </tr> </thead> <tbody> <tr> <td>Cafe sales</td> <td></td> <td style="text-align: right;">27 000</td> </tr> <tr> <td><u>Cost of sales</u></td> <td></td> <td></td> </tr> <tr> <td>Opening inventory</td> <td style="text-align: right;">1 290</td> <td style="text-align: right;">*</td> </tr> <tr> <td>Purchases of food & drink</td> <td style="text-align: right;">8 220</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">9 510</td> <td></td> </tr> <tr> <td>Less Closing inventory</td> <td style="text-align: right;">1 340</td> <td style="text-align: right;">*(1)</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">8 170</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right; border-bottom: 3px double black;">18 830</td> <td style="text-align: right; border-bottom: 3px double black;">(1)OF</td> </tr> <tr> <td><u>Expenses</u></td> <td></td> <td></td> </tr> <tr> <td>Wages – café assistant</td> <td style="text-align: right;">14 352</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Profit for the year – cafe</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">4 478</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(1)OF</td> </tr> </tbody> </table>					\$	\$	Cafe sales		27 000	<u>Cost of sales</u>			Opening inventory	1 290	*	Purchases of food & drink	8 220			9 510		Less Closing inventory	1 340	*(1)		8 170	(1)		18 830	(1)OF	<u>Expenses</u>			Wages – café assistant	14 352	(1)	Profit for the year – cafe	4 478	(1)OF	5
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3(b)	<p>Sports T club Subscriptions account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="384 330 473 362">Date</th><th data-bbox="473 330 878 362">Details</th><th data-bbox="878 330 968 362">\$</th><th data-bbox="968 330 1057 362"></th><th data-bbox="1057 330 1147 362">Date</th><th data-bbox="1147 330 1551 362">Details</th><th data-bbox="1551 330 1641 362">\$</th><th data-bbox="1641 330 1866 362"></th></tr> </thead> <tbody> <tr> <td data-bbox="384 398 473 493">2023 Jan 1 Dec 31</td><td data-bbox="473 398 878 557">Balance b/d Income & Expenditure Account Balance c/d</td><td data-bbox="878 398 968 557">1 520 158 960 <u>2 800</u> <u>163 280</u></td><td data-bbox="968 398 1057 557">(1) (1)OF</td><td data-bbox="1057 398 1147 493">2023 Dec 31</td><td data-bbox="1147 398 1551 557">Bank or Cash Balance c/d</td><td data-bbox="1551 398 1641 557">162 000 <u>1 280</u> <u>163 280</u></td><td data-bbox="1641 398 1866 557">(1)</td><td data-bbox="1866 398 1911 557"></td></tr> <tr> <td data-bbox="384 593 473 657">2024 Jan 1</td><td data-bbox="473 593 878 657">Balance b/d</td><td data-bbox="878 593 968 657">*1 280</td><td data-bbox="968 593 1057 657"></td><td data-bbox="1057 593 1147 657">2024 Jan 1</td><td data-bbox="1147 593 1551 657">Balance b/d</td><td data-bbox="1551 593 1641 657">*2 800</td><td data-bbox="1641 593 1866 657">(1)</td><td data-bbox="1866 593 1911 657"></td></tr> </tbody> </table> <p>(1) for dates *For both balances b/d</p>	Date	Details	\$		Date	Details	\$		2023 Jan 1 Dec 31	Balance b/d Income & Expenditure Account Balance c/d	1 520 158 960 <u>2 800</u> <u>163 280</u>	(1) (1)OF	2023 Dec 31	Bank or Cash Balance c/d	162 000 <u>1 280</u> <u>163 280</u>	(1)		2024 Jan 1	Balance b/d	*1 280		2024 Jan 1	Balance b/d	*2 800	(1)		5										
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3(c)	<p>Sports T club Income and expenditure account for the year ended 31 December 2023</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="541 941 1057 973">Income:</th><th data-bbox="1057 941 1462 973">\$</th><th data-bbox="1462 941 1731 973"></th></tr> </thead> <tbody> <tr> <td data-bbox="541 973 1057 1005">Profit from the cafe</td><td data-bbox="1057 973 1462 1005">4 478 (1)OF</td><td data-bbox="1462 973 1731 1005"></td></tr> <tr> <td data-bbox="541 1005 1057 1036">Subscriptions</td><td data-bbox="1057 1005 1462 1036">158 960 (1)OF</td><td data-bbox="1462 1005 1731 1036"></td></tr> <tr> <td data-bbox="541 1036 1057 1068">Bank interest</td><td data-bbox="1057 1036 1462 1068"><u>720</u> (1)</td><td data-bbox="1462 1036 1731 1068">164 158 (1)OF</td></tr> <tr> <td data-bbox="541 1113 1057 1144"><u>Expenditure</u></td><td data-bbox="1057 1113 1462 1144"></td><td data-bbox="1462 1113 1731 1144"></td></tr> <tr> <td data-bbox="541 1144 1057 1176">Wages: Sports coaches</td><td data-bbox="1057 1144 1462 1176">58 220 }</td><td data-bbox="1462 1144 1731 1176"></td></tr> <tr> <td data-bbox="541 1176 1057 1208">Administration salaries</td><td data-bbox="1057 1176 1462 1208">31 720 }(1)</td><td data-bbox="1462 1176 1731 1208"></td></tr> <tr> <td data-bbox="541 1208 1057 1240">Rent (16 250 – 1250)</td><td data-bbox="1057 1208 1462 1240">15 000 (1)</td><td data-bbox="1462 1208 1731 1240"></td></tr> <tr> <td data-bbox="541 1240 1057 1271">Sports equipment hire</td><td data-bbox="1057 1240 1462 1271">34 800 (1)</td><td data-bbox="1462 1240 1731 1271"></td></tr> <tr> <td data-bbox="541 1271 1057 1303">Rates & insurance</td><td data-bbox="1057 1271 1462 1303">3 200 (1)</td><td data-bbox="1462 1271 1731 1303"></td></tr> <tr> <td data-bbox="541 1303 1057 1335">Accountancy fees</td><td data-bbox="1057 1303 1462 1335"><u>2 400</u> (1)</td><td data-bbox="1462 1303 1731 1335">(145 340)</td></tr> <tr> <td data-bbox="541 1335 1057 1367">Surplus for the year</td><td data-bbox="1057 1335 1462 1367"></td><td data-bbox="1462 1335 1731 1367"><u>18 818</u> (1)OF</td></tr> </tbody> </table>	Income:	\$		Profit from the cafe	4 478 (1)OF		Subscriptions	158 960 (1)OF		Bank interest	<u>720</u> (1)	164 158 (1)OF	<u>Expenditure</u>			Wages: Sports coaches	58 220 }		Administration salaries	31 720 }(1)		Rent (16 250 – 1250)	15 000 (1)		Sports equipment hire	34 800 (1)		Rates & insurance	3 200 (1)		Accountancy fees	<u>2 400</u> (1)	(145 340)	Surplus for the year		<u>18 818</u> (1)OF	10
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4(a)	Either - A public limited company is allowed to offer its shares to the public whereas a private limited company cannot. Or - A public limited company has to publish its financial statements whereas a private limited company does not.	1																																								
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4(d)	<p style="text-align: center;">Y Limited Statement of changes in equity for the year ended 31 December 2023</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Ordinary Share Capital</th> <th>General Reserve</th> <th>Retained Earnings</th> <th>Total</th> </tr> <tr> <th></th> <th>\$</th> <th>\$</th> <th>\$</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>On 1 January 2023</td> <td>800 000</td> <td>78 000</td> <td>62 000</td> <td>940 000</td> </tr> <tr> <td>Profit for the year</td> <td></td> <td></td> <td>118 500</td> <td>118 500</td> </tr> <tr> <td>Dividend paid (final)</td> <td></td> <td></td> <td>(43 000)</td> <td>(43 000)</td> </tr> <tr> <td>Dividend paid (interim)</td> <td></td> <td></td> <td>(40 000)</td> <td>(40 000)</td> </tr> <tr> <td>Transfer to general reserve</td> <td></td> <td>32 000</td> <td>(32 000)</td> <td>–</td> </tr> <tr> <td>On 31 December 2023</td> <td>800 000</td> <td>110 000</td> <td>65 500</td> <td>975 500</td> </tr> </tbody> </table> <p style="text-align: right;">(1) (2)* (1) (1) (1) (1) (1)OF</p>		Ordinary Share Capital	General Reserve	Retained Earnings	Total		\$	\$	\$	\$	On 1 January 2023	800 000	78 000	62 000	940 000	Profit for the year			118 500	118 500	Dividend paid (final)			(43 000)	(43 000)	Dividend paid (interim)			(40 000)	(40 000)	Transfer to general reserve		32 000	(32 000)	–	On 31 December 2023	800 000	110 000	65 500	975 500	7
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Question	Answer		Marks
4(f)	Issuing debentures	Issuing ordinary shares	5
	Annual interest is payable (1)	A dividend may be paid (1)	
	Are a liability\are a loan\must be repaid (1)	Do not have to be repaid (1)	
	If company is wound up they are repaid before ordinary shareholders (1)	If company is wound up they are repaid after debenture holders (1)	
	Debenture holders are not members of the company/cannot vote (1)	Shares will carry same voting rights/rank equally as existing shares (1)	
	Issue of debentures will not dilute the control of the existing ordinary shareholders (1)	May dilute control of existing shareholders (1) (if some purchase a greater proportion of shares)	
	Interest is a fixed amount (1) (and so can be budgeted for)	Dividend is not fixed (and may depend on profit levels) (1)	
	Interest must be paid irrespective of profits (1)	Directors can decide on amount of dividend they will pay (1)	
	May be secured on the non-current assets of the company (1)	May take longer to raise the funds (1)	
	Issue may not raise adequate funds (1)	Issue may not raise adequate funds (1)	
	Max (3)	Max (3)	
	Recommendation (1)		
4(g)	Non-current liabilities / Long-term-liabilities		1

Question	Answer			Marks
5(a)	Ratio	Workings	Answer	7
	Inventory turnover (correct to 2 decimal places)	$\frac{24074 + 278429 - 25600}{(24074 + 25600) / 2}$ $= \frac{276903}{24837}$	11.15 times	
	Trade receivables turnover (round up your answer to the nearest whole day)	$\frac{42375 \times 365}{392600}$ (1) for formula	40 days	
	Trade payables turnover (round up your answer to the nearest whole day)	$\frac{21603 \times 365}{278429}$ (1) for formula	29 days	
5(b)	Advantages (2) Reduced administration – debt collection company will manage debt collection Owner can spend more time on other areas of the business Money received from credit customers quicker / improved cashflow / improved liquidity / trade receivables turnover will improve Reduced risk of irrecoverable debts Reduced need to borrow to finance working capital Accept other valid points Max 2 Disadvantages (2) Cost/fees of debt collection company May damage relationship with customer Credit sales may reduce Maybe a lack of communication between the agency and the owner / may not be effective in improving debt collection Accept other valid points Max 2 Recommendation (1)			5

Question	Answer	Marks												
5(c)	Improve credit control policy (1) Issue regular statements & invoices (1) Offer cash discount for prompt payment (1) Charge interest on overdue accounts (1) Max 2	2												
5(d)(i)	Reduce cost of purchases (1) Increase selling price (1) Changing the proportions of types of goods sold (1) Max 1	1												
5(d)(ii)	Improve gross profit (1) Control / reduce overall expenses (1) Increasing other income (1) Max (1)	1												
5(e)(i)	Azim Journal <table border="1" data-bbox="640 817 1628 1048"> <thead> <tr> <th data-bbox="640 817 1268 913">Details</th><th data-bbox="1268 817 1516 913">Debit \$</th><th data-bbox="1516 817 1628 913">Credit \$</th></tr> </thead> <tbody> <tr> <td data-bbox="640 913 1268 976">Drawings</td><td data-bbox="1268 913 1516 976">340 (1)</td><td data-bbox="1516 913 1628 976"></td></tr> <tr> <td data-bbox="640 976 1268 1048">Purchases</td><td data-bbox="1268 976 1516 1048"></td><td data-bbox="1516 976 1628 1048">340 (1)</td></tr> </tbody> </table>	Details	Debit \$	Credit \$	Drawings	340 (1)		Purchases		340 (1)	2			
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