



Cambridge IGCSE™

ACCOUNTING

0452/21

Paper 2

May/June 2021

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 2021 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

This document consists of **20** printed pages.

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.

PUBLISHED**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.

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Question	Answer										Marks																																																																																																				
1(a)	<p style="text-align: center;">Rahat Cash Book</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>Disc.</th> <th>Cash</th> <th>Bank</th> <th>Date</th> <th>Details</th> <th>Disc.</th> <th>Cash</th> <th>Bank</th> </tr> <tr> <td>2021</td> <td></td> <td>\$</td> <td>\$</td> <td>\$</td> <td>2021</td> <td></td> <td>\$</td> <td>\$</td> <td>\$</td> </tr> </thead> <tbody> <tr> <td>Mar 1</td> <td>Balance b/d</td> <td></td> <td>150</td> <td></td> <td>Mar 1</td> <td>Balance b/d</td> <td></td> <td></td> <td>1980</td> </tr> <tr> <td>3</td> <td>Sales (1)</td> <td></td> <td></td> <td>580</td> <td>6</td> <td>Insurance (1)</td> <td></td> <td></td> <td>360</td> </tr> <tr> <td>17</td> <td>Sales (1)</td> <td></td> <td>140</td> <td></td> <td>9</td> <td>GH Limited (1)</td> <td>4</td> <td></td> <td>196</td> </tr> <tr> <td>27</td> <td>Disposal (1)</td> <td></td> <td></td> <td>50</td> <td>13</td> <td>Stationery (1)</td> <td></td> <td>75</td> <td></td> </tr> <tr> <td>31</td> <td>Balance c/d</td> <td></td> <td></td> <td>2246</td> <td>30</td> <td>Colin (1)</td> <td>10</td> <td></td> <td>340</td> </tr> <tr> <td></td> <td></td> <td></td> <td><u>290</u></td> <td><u>2876</u></td> <td>31</td> <td>Balance c/d</td> <td></td> <td><u>215</u></td> <td><u>2876</u></td> </tr> <tr> <td>Apr 1</td> <td>Balance b/d</td> <td></td> <td>215</td> <td></td> <td>Apr 1</td> <td>Balance b/d</td> <td>(1)OF</td> <td><u>290</u></td> <td>2246</td> </tr> <tr> <td></td> <td></td> <td></td> <td>(1)OF</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>(1)OF</td> </tr> </tbody> </table> <p>+(1) dates</p>										Date	Details	Disc.	Cash	Bank	Date	Details	Disc.	Cash	Bank	2021		\$	\$	\$	2021		\$	\$	\$	Mar 1	Balance b/d		150		Mar 1	Balance b/d			1980	3	Sales (1)			580	6	Insurance (1)			360	17	Sales (1)		140		9	GH Limited (1)	4		196	27	Disposal (1)			50	13	Stationery (1)		75		31	Balance c/d			2246	30	Colin (1)	10		340				<u>290</u>	<u>2876</u>	31	Balance c/d		<u>215</u>	<u>2876</u>	Apr 1	Balance b/d		215		Apr 1	Balance b/d	(1)OF	<u>290</u>	2246				(1)OF						(1)OF	11
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1(c)	<p>Advantages Loan interest may be lower than overdraft interest (1) No interest on overdraft to pay (1) Have a longer time to repay a loan (1) May improve relationship with bank (1) Bank balance would be improved/liquidity would be improved (1) New office furniture should lead to a better working environment (1) Accept other valid points (Max 2)</p> <p>Disadvantages Loan will have to be repaid (1) Loan interest will have to be paid (1) Early repayment may not be allowed (1) The bank may require security (1) No income/profit is generated from the office furniture (1) Accept other valid points (Max 2)</p> <p>Recommendation (1)</p>	5

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2(a)	<p style="text-align: center;">John and Banu</p> <p style="text-align: center;">Income Statement for the year ended 31 March 2021</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">\$</th> <th style="width: 20%; text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td></td> <td style="text-align: right;">158 000</td> </tr> <tr> <td>Cost of sales</td> <td></td> <td></td> </tr> <tr> <td>Opening inventory</td> <td style="text-align: right;">9 400</td> <td></td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;"><u>69 200</u></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">78 600</td> <td></td> </tr> <tr> <td>Less Closing inventory</td> <td style="text-align: right;"><u>9 200</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>69 400</u> (1)</td> </tr> <tr> <td>Gross profit</td> <td></td> <td style="text-align: right;">88 600 (1)OF</td> </tr> <tr> <td>Commission receivable (4 800 + 300)</td> <td></td> <td style="text-align: right;"><u>5 100</u> (1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">93 700</td> </tr> <tr> <td>Less Expenses</td> <td></td> <td></td> </tr> <tr> <td>Rates and insurance (11 250 + 650)</td> <td style="text-align: right;">11 900 (1)</td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">10 475}</td> <td></td> </tr> <tr> <td>General expenses</td> <td style="text-align: right;">9 675}(1)</td> <td></td> </tr> <tr> <td>Discount allowed</td> <td style="text-align: right;">2 000 (1)</td> <td></td> </tr> <tr> <td>Depreciation of fittings (15% × 18 000)</td> <td style="text-align: right;"><u>2 700</u> (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>36 750</u></td> </tr> <tr> <td>Profit from operations</td> <td></td> <td style="text-align: right;">56 950</td> </tr> <tr> <td>Loan interest</td> <td></td> <td style="text-align: right;"><u>500</u> (1)</td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;"><u>56 450</u> (1)OF</td> </tr> </tbody> </table>		\$	\$	Revenue		158 000	Cost of sales			Opening inventory	9 400		Purchases	<u>69 200</u>			78 600		Less Closing inventory	<u>9 200</u>				<u>69 400</u> (1)	Gross profit		88 600 (1)OF	Commission receivable (4 800 + 300)		<u>5 100</u> (1)			93 700	Less Expenses			Rates and insurance (11 250 + 650)	11 900 (1)		Wages	10 475}		General expenses	9 675}(1)		Discount allowed	2 000 (1)		Depreciation of fittings (15% × 18 000)	<u>2 700</u> (1)				<u>36 750</u>	Profit from operations		56 950	Loan interest		<u>500</u> (1)	Profit for the year		<u>56 450</u> (1)OF	9
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2(c)(i)	To discourage the partners from taking drawings (1) Accept other valid points	1																					
2(c)(ii)	To reward John for lending money to the business To compensate John for the interest he could have earned elsewhere (1) (Max 1) Accept other valid points	1																					
2(d)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 60%;">Continuity of existence of the business</td> <td style="width: 10%;"></td> <td style="width: 30%;"></td> </tr> <tr> <td>Banu may have skills and knowledge which John does not have</td> <td style="text-align: center;">✓(1)</td> <td></td> </tr> <tr> <td>John is only liable for business debts up to the amount he agreed to contribute</td> <td></td> <td></td> </tr> <tr> <td>Additional finance is available to the business</td> <td style="text-align: center;">✓ }</td> <td></td> </tr> <tr> <td>Risks and responsibilities are shared</td> <td style="text-align: center;">✓ }(1)</td> <td></td> </tr> <tr> <td>John is bound by the actions of Banu carried out on behalf of the business</td> <td></td> <td></td> </tr> <tr> <td>John can discuss matters with Banu before making decisions.</td> <td style="text-align: center;">✓(1)</td> <td></td> </tr> </tbody> </table> <p>+ (1) if items 1, 3 and 6 are un-ticked</p>	Continuity of existence of the business			Banu may have skills and knowledge which John does not have	✓(1)		John is only liable for business debts up to the amount he agreed to contribute			Additional finance is available to the business	✓ }		Risks and responsibilities are shared	✓ }(1)		John is bound by the actions of Banu carried out on behalf of the business			John can discuss matters with Banu before making decisions.	✓(1)		4
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3(a)	TC Limited Rent and rates account						5	
	Date 2021	Details	\$	Date 2021	Details	\$		
	Jan 31	Total to date Balance c/d (rates)	(1) 19 620 550	Jan 31	Manufacturing account (1) Income statement (1) Balance c/d (rent)	OF OF <u>1 200</u>	9 485 9 485 <u>20 170</u>	
	Feb 1	Balance b/d (rent)	(1) <u>20 170</u> 1 200	Feb 1	Balance b/d (rates)	(1) <u>20 170</u> 550		
	Ignore dates							

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3(c)	<p>Advantages To apply the principle of consistency OR the other non-current assets are depreciated so these should also be depreciated (1) To apply the principle of matching OR to spread the cost over expected useful life (1) Are non-current assets so should be depreciated/they lose value over their useful life so should be depreciated (1) Accept other valid points (Max 2)</p> <p>Disadvantages The cost of the items may not be material (1) The amount of depreciation would be insignificant (1) The items may not last more than one year (1) Accept other valid points (Max 2)</p> <p>Recommendation (1)</p>	5

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Question	Answer	Marks	
5(a)	Trade receivables turnover (days)	4	
	workings		answer
	$\frac{12\,400}{191\,000} \times \frac{365}{1} \text{ whole formula(1)}$		24 days (1)
	Trade payables turnover (days)		
	workings		answer
	$\frac{7\,000}{120\,000} \times \frac{365}{1} \text{ whole formula(1)}$		22 days (1)

Question	Answer	Marks		
5(b)(i)	<p>Answers to be based on OF answers to (a)</p> <table border="1" data-bbox="349 284 1774 823"> <tr> <td data-bbox="349 284 1061 823"> <p>Ahu</p> <p>Allows trade receivables a longer credit period (1)</p> <p>Has an inefficient credit control system/slower to resort to legal action (1)</p> <p>Offers no cash discount/lower rate of cash discount for prompt payment (1)</p> <p>Charge no interest/lower rate of interest on overdue Accounts (1)</p> <p>Does not make use of invoice discounting and factoring (1)</p> </td> <td data-bbox="1061 284 1774 823"> <p>Omer</p> <p>Allows trade receivables a shorter credit period (1)</p> <p>Has a more efficient credit control system/quicker to resort to legal action (1)</p> <p>Offers cash discount/higher rate of cash discount for prompt payment (1)</p> <p>Charge interest/higher rate of interest on overdue Accounts (1)</p> <p>Makes use of invoice discounting and factoring (1)</p> </td> </tr> </table> <p>Accept other valid points (Max 2)</p>	<p>Ahu</p> <p>Allows trade receivables a longer credit period (1)</p> <p>Has an inefficient credit control system/slower to resort to legal action (1)</p> <p>Offers no cash discount/lower rate of cash discount for prompt payment (1)</p> <p>Charge no interest/lower rate of interest on overdue Accounts (1)</p> <p>Does not make use of invoice discounting and factoring (1)</p>	<p>Omer</p> <p>Allows trade receivables a shorter credit period (1)</p> <p>Has a more efficient credit control system/quicker to resort to legal action (1)</p> <p>Offers cash discount/higher rate of cash discount for prompt payment (1)</p> <p>Charge interest/higher rate of interest on overdue Accounts (1)</p> <p>Makes use of invoice discounting and factoring (1)</p>	2
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Question	Answer		Marks		
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5(d)	Establish a credit limit for each customer (1) Issue invoices and statements promptly (1) Improve credit control/maintain good credit control system (1) Refuse further supplies until outstanding balance paid (1) Take legal action if necessary (1) Allow cash discount for prompt payment (1) Sell on a cash basis only/reduce credit sales (1) Accept other valid points (Max 3)		3		

Question	Answer	Marks
5(e)	<p>Matching To ensure that the revenue of the accounting period is matched against the costs of the same period (1)</p> <p>Prudence Profit should not be anticipated but all possible losses should be provided for (1) To ensure that profits and assets are not overstated (1) To ensure that losses and liabilities are not understated (1) (Max 1)</p> <p>Consistency To ensure that accounting methods are used consistently from one period to the next (1) To allow comparison of financial statements from year to year (1) (Max 1)</p> <p>Business entity To ensure that the accounting records relate only to the business (1) To ensure that the business is treated completely separately from the owner of the business (1) (Max 1)</p>	4