



---

**ACCOUNTING**

**0452/11**

Paper 1

**October/November 2017**

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 2017 series for most Cambridge IGCSE<sup>®</sup>, Cambridge International A and AS Level components and some Cambridge O Level components.

---

© IGCSE is a registered trademark.

This document consists of **13** printed pages.

<b>Question</b>	<b>Answer</b>	<b>Marks</b>
1(a)	D	<b>1</b>
1(b)	C	<b>1</b>
1(c)	B	<b>1</b>
1(d)	C	<b>1</b>
1(e)	C	<b>1</b>
1(f)	A	<b>1</b>
1(g)	D	<b>1</b>
1(h)	B	<b>1</b>
1(i)	B	<b>1</b>
1(j)	A	<b>1</b>

Question	Answer	Marks															
2(a)	The amount owed by the business to the owner. The funds put into the business/contributed by the owner (plus profits net of drawings). Any one for <b>(1)</b> mark	<b>1</b>															
2(b)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 40%;">Principle</td> </tr> <tr> <td>A trader withdraws goods for his own use and records this in the drawings account.</td> <td>Business entity <b>(1)</b></td> </tr> <tr> <td>A book-keeper writes off debts which will not be paid to the business.</td> <td>Prudence/accruals (matching) <b>(1)</b></td> </tr> <tr> <td>An accountant does not include staff morale as an asset in the statement of financial position.</td> <td>Money measurement <b>(1)</b></td> </tr> <tr> <td>A business uses the double entry system of book-keeping to record transactions.</td> <td>Duality <b>(1)</b></td> </tr> </table>		Principle	A trader withdraws goods for his own use and records this in the drawings account.	Business entity <b>(1)</b>	A book-keeper writes off debts which will not be paid to the business.	Prudence/accruals (matching) <b>(1)</b>	An accountant does not include staff morale as an asset in the statement of financial position.	Money measurement <b>(1)</b>	A business uses the double entry system of book-keeping to record transactions.	Duality <b>(1)</b>	<b>4</b>					
	Principle																
A trader withdraws goods for his own use and records this in the drawings account.	Business entity <b>(1)</b>																
A book-keeper writes off debts which will not be paid to the business.	Prudence/accruals (matching) <b>(1)</b>																
An accountant does not include staff morale as an asset in the statement of financial position.	Money measurement <b>(1)</b>																
A business uses the double entry system of book-keeping to record transactions.	Duality <b>(1)</b>																
2(c)	Nominal (general) ledger	<b>1</b>															
2(d)	(Limited) company	<b>1</b>															
2(e)	Items which a business owns or which are owed to the business are known as ASSETS.	<b>1</b>															
2(f)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">document</th> <th style="width: 40%;">reason for issue</th> <th style="width: 30%;">name of person issuing document</th> </tr> </thead> <tbody> <tr> <td>invoice</td> <td><i>to record goods sold on credit</i></td> <td><i>Jake</i></td> </tr> <tr> <td>debit note</td> <td>to ask for reduction in invoice <b>(1)</b></td> <td>Rashida <b>(1)</b></td> </tr> <tr> <td>credit note</td> <td>to accept request for reduction in invoice <b>(1)</b></td> <td>Jake <b>(1)</b></td> </tr> <tr> <td>statement of account</td> <td>to summarise transactions for the month <b>(1)</b></td> <td>Jake <b>(1)</b></td> </tr> </tbody> </table>	document	reason for issue	name of person issuing document	invoice	<i>to record goods sold on credit</i>	<i>Jake</i>	debit note	to ask for reduction in invoice <b>(1)</b>	Rashida <b>(1)</b>	credit note	to accept request for reduction in invoice <b>(1)</b>	Jake <b>(1)</b>	statement of account	to summarise transactions for the month <b>(1)</b>	Jake <b>(1)</b>	<b>6</b>
document	reason for issue	name of person issuing document															
invoice	<i>to record goods sold on credit</i>	<i>Jake</i>															
debit note	to ask for reduction in invoice <b>(1)</b>	Rashida <b>(1)</b>															
credit note	to accept request for reduction in invoice <b>(1)</b>	Jake <b>(1)</b>															
statement of account	to summarise transactions for the month <b>(1)</b>	Jake <b>(1)</b>															

Question	Answer		Marks
2(g)		True or False	<b>3</b>
	Work in progress may appear in Jake's manufacturing account.	True <b>(1)</b>	
	Prime cost appears in Jake's income statement.	False <b>(1)</b>	
	Jake's business is a service business.	False <b>(1)</b>	

Question	Answer	Marks																																																												
3(a)	A bank statement is a copy of the customer's account as it appears in the books of the bank.	1																																																												
3(b)	<p style="text-align: center;">Kang-Dae Cash book (bank columns only)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">2017</td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">\$</td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">2017</td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">\$</td> </tr> <tr> <td>June 1</td> <td>Balance b/d</td> <td>1 310</td> <td>(1)</td> <td>June 1</td> <td>Bank charges</td> <td>60</td> <td>(1)</td> </tr> <tr> <td></td> <td>Nigel</td> <td>540</td> <td>(1)</td> <td></td> <td>Rent</td> <td>1 000</td> <td>(1)</td> </tr> <tr> <td></td> <td>Insurance (error)</td> <td>320</td> <td>(1)</td> <td></td> <td>Electricity</td> <td>400</td> <td>(1)</td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black;">2 170</td> <td></td> <td></td> <td>Balance c/d</td> <td style="border-top: 1px solid black;">710</td> <td></td> </tr> <tr> <td>June 1</td> <td>Balance b/d</td> <td style="border-top: 1px solid black;">710</td> <td>(1)OF</td> <td></td> <td></td> <td style="border-top: 1px solid black;">2 170</td> <td></td> </tr> </table>		2017		\$		2017		\$	June 1	Balance b/d	1 310	(1)	June 1	Bank charges	60	(1)		Nigel	540	(1)		Rent	1 000	(1)		Insurance (error)	320	(1)		Electricity	400	(1)			2 170			Balance c/d	710		June 1	Balance b/d	710	(1)OF			2 170		7												
	2017		\$		2017		\$																																																							
June 1	Balance b/d	1 310	(1)	June 1	Bank charges	60	(1)																																																							
	Nigel	540	(1)		Rent	1 000	(1)																																																							
	Insurance (error)	320	(1)		Electricity	400	(1)																																																							
		2 170			Balance c/d	710																																																								
June 1	Balance b/d	710	(1)OF			2 170																																																								
3(c)	<p style="text-align: center;">Kang-Dae Bank reconciliation statement at 1 June 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 35%;"></td> <td style="width: 15%; text-align: center;">\$</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> <tr> <td>Balance per cash book</td> <td>(1)</td> <td>710</td> <td>(1)OF</td> <td></td> </tr> <tr> <td>Add unpresented cheque</td> <td></td> <td style="border-top: 1px solid black;">700</td> <td>(1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td>1 410</td> <td></td> <td></td> </tr> <tr> <td>Less uncredited deposit</td> <td></td> <td style="border-top: 1px solid black;">620</td> <td>(1)</td> <td></td> </tr> <tr> <td>Balance per bank statement</td> <td>(1)</td> <td style="border-top: 1px solid black;">790</td> <td>(1)</td> <td></td> </tr> </table> <p>OR</p> <p style="text-align: center;">Kang-Dae Bank reconciliation statement at 1 June 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 35%;"></td> <td style="width: 15%; text-align: center;">\$</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> <tr> <td>Balance per bank statement</td> <td>(1)</td> <td>790</td> <td>(1)</td> <td></td> </tr> <tr> <td>Add uncredited deposit</td> <td></td> <td style="border-top: 1px solid black;">620</td> <td>(1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td>1 410</td> <td></td> <td></td> </tr> <tr> <td>Less unpresented cheque</td> <td></td> <td style="border-top: 1px solid black;">700</td> <td>(1)</td> <td></td> </tr> <tr> <td>Balance per cash book</td> <td>(1)</td> <td style="border-top: 1px solid black;">710</td> <td>(1)OF</td> <td></td> </tr> </table>		\$				Balance per cash book	(1)	710	(1)OF		Add unpresented cheque		700	(1)				1 410			Less uncredited deposit		620	(1)		Balance per bank statement	(1)	790	(1)			\$				Balance per bank statement	(1)	790	(1)		Add uncredited deposit		620	(1)				1 410			Less unpresented cheque		700	(1)		Balance per cash book	(1)	710	(1)OF		6
	\$																																																													
Balance per cash book	(1)	710	(1)OF																																																											
Add unpresented cheque		700	(1)																																																											
		1 410																																																												
Less uncredited deposit		620	(1)																																																											
Balance per bank statement	(1)	790	(1)																																																											
	\$																																																													
Balance per bank statement	(1)	790	(1)																																																											
Add uncredited deposit		620	(1)																																																											
		1 410																																																												
Less unpresented cheque		700	(1)																																																											
Balance per cash book	(1)	710	(1)OF																																																											

Question	Answer	Marks
3(d)	A loan is of fixed amount but an overdraft is of varying amount. A loan is for a fixed term but an overdraft may be paid back at any time. A loan may require security but an overdraft may be unsecured. A loan may have a fixed rate of interest but an overdraft will have a variable rate. Any two for <b>(1)</b> each	<b>2</b>
3(e)	Non-current liabilities	<b>1</b>

Question	Answer	Marks
4(a)	$\frac{(17\,040 - 12\,780)}{42\,600} \times 100 = 10\%$ <b>(1)</b> <b>(1)</b> <b>OF</b>	<b>3</b>
4(b)	1 May 2015: Cash book <b>(1)</b>  1 August 2016: 1 Nominal (general) journal <b>(1)</b> 2 Cash book <b>(1)</b>	<b>3</b>

Question	Answer			Marks																					
4(c)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 30%; text-align: center;">workings</th> <th style="width: 20%; text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>fixtures and fittings at cost on 31 December 2015</td> <td style="text-align: center;">42 600 + 12 000</td> <td style="text-align: center;">54 600 <b>(1)</b></td> </tr> <tr> <td>fixtures and fittings at cost on 31 December 2016</td> <td style="text-align: center;">54 600 <b>(OF)</b> – 10 000</td> <td style="text-align: center;">44 600 <b>(1)OF</b></td> </tr> <tr> <td>depreciation charge for the year ended 31 December 2015</td> <td style="text-align: center;">(54 600 <b>(OF)</b> × 10%) <b>(1)OF</b></td> <td style="text-align: center;">5 460 <b>(1)OF</b></td> </tr> <tr> <td>accumulated depreciation at 31 December 2015</td> <td style="text-align: center;">17 040 + 5 460 <b>(1)OF</b></td> <td style="text-align: center;">22 500 <b>(1)OF</b></td> </tr> <tr> <td>depreciation charge for the year ended 31 December 2016</td> <td style="text-align: center;">(44 600 <b>(OF)</b> × 10%) <b>(1)OF</b></td> <td style="text-align: center;">4 460 <b>(1)OF</b></td> </tr> <tr> <td>accumulated depreciation at 31 December 2016</td> <td style="text-align: center;">22 500 <b>(1)OF</b> + 4 460 <b>(1)OF</b> – 4 000 <b>(1)</b></td> <td style="text-align: center;">22 960 <b>(1)OF</b></td> </tr> </tbody> </table>				workings	\$	fixtures and fittings at cost on 31 December 2015	42 600 + 12 000	54 600 <b>(1)</b>	fixtures and fittings at cost on 31 December 2016	54 600 <b>(OF)</b> – 10 000	44 600 <b>(1)OF</b>	depreciation charge for the year ended 31 December 2015	(54 600 <b>(OF)</b> × 10%) <b>(1)OF</b>	5 460 <b>(1)OF</b>	accumulated depreciation at 31 December 2015	17 040 + 5 460 <b>(1)OF</b>	22 500 <b>(1)OF</b>	depreciation charge for the year ended 31 December 2016	(44 600 <b>(OF)</b> × 10%) <b>(1)OF</b>	4 460 <b>(1)OF</b>	accumulated depreciation at 31 December 2016	22 500 <b>(1)OF</b> + 4 460 <b>(1)OF</b> – 4 000 <b>(1)</b>	22 960 <b>(1)OF</b>	<b>12</b>
	workings	\$																							
fixtures and fittings at cost on 31 December 2015	42 600 + 12 000	54 600 <b>(1)</b>																							
fixtures and fittings at cost on 31 December 2016	54 600 <b>(OF)</b> – 10 000	44 600 <b>(1)OF</b>																							
depreciation charge for the year ended 31 December 2015	(54 600 <b>(OF)</b> × 10%) <b>(1)OF</b>	5 460 <b>(1)OF</b>																							
accumulated depreciation at 31 December 2015	17 040 + 5 460 <b>(1)OF</b>	22 500 <b>(1)OF</b>																							
depreciation charge for the year ended 31 December 2016	(44 600 <b>(OF)</b> × 10%) <b>(1)OF</b>	4 460 <b>(1)OF</b>																							
accumulated depreciation at 31 December 2016	22 500 <b>(1)OF</b> + 4 460 <b>(1)OF</b> – 4 000 <b>(1)</b>	22 960 <b>(1)OF</b>																							
4(d)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">debit entry</th> <th style="width: 50%; text-align: center;">credit entry</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">income statement <b>(1)</b></td> <td style="text-align: center;">provision for depreciation of fixtures and fittings account <b>(1)</b></td> </tr> </tbody> </table>			debit entry	credit entry	income statement <b>(1)</b>	provision for depreciation of fixtures and fittings account <b>(1)</b>	<b>2</b>																	
debit entry	credit entry																								
income statement <b>(1)</b>	provision for depreciation of fixtures and fittings account <b>(1)</b>																								
4(e)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">debit entry</th> <th style="width: 50%; text-align: center;">credit entry</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">provision for depreciation of fixtures and fittings account <b>(1)</b></td> <td style="text-align: center;">disposal account <b>(1)</b></td> </tr> </tbody> </table>			debit entry	credit entry	provision for depreciation of fixtures and fittings account <b>(1)</b>	disposal account <b>(1)</b>	<b>2</b>																	
debit entry	credit entry																								
provision for depreciation of fixtures and fittings account <b>(1)</b>	disposal account <b>(1)</b>																								
4(f)	<p>Reducing (diminishing) balance method <b>(1)</b> Annual percentage rate <b>(1)</b> is applied to the net book value <b>(1)</b> of the asset. <b>OR</b> Revaluation method <b>(1)</b> The difference between the opening and closing valuations is taken <b>(1)</b> and adjusted for any purchases or disposals <b>(1)</b></p>			<b>3</b>																					

Question	Answer			Marks
4(g)		capital expenditure	revenue expenditure	<b>4</b>
cost of vehicle	✓ (1)			
number plates	✓ (1)			
fuel		✓ (1)		
insurance of vehicle		✓ (1)		
4(h)	Capital introduced Receipt of loan Proceeds of sale of non-current asset Any one for <b>(1)</b> mark			<b>1</b>



Question	Answer	Marks																																								
5(a)	<p style="text-align: center;">Satisfish Suspense account</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></td> <td style="width: 10%; text-align: center;">2017</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">2017</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">\$</td> </tr> <tr> <td>Jun 30</td> <td>Drawings</td> <td>2 000</td> <td>(1)</td> <td>Jun 30</td> <td>Balance b/d</td> <td>3 900</td> <td>(1)</td> </tr> <tr> <td></td> <td>Capital</td> <td><u>2 000</u></td> <td>(1)</td> <td></td> <td>Purchases</td> <td><u>100</u></td> <td>(1)</td> </tr> <tr> <td></td> <td></td> <td><u>4 000</u></td> <td></td> <td></td> <td></td> <td><u>4 000</u></td> <td></td> </tr> </table>		2017		\$		2017		\$	Jun 30	Drawings	2 000	(1)	Jun 30	Balance b/d	3 900	(1)		Capital	<u>2 000</u>	(1)		Purchases	<u>100</u>	(1)			<u>4 000</u>				<u>4 000</u>		4								
	2017		\$		2017		\$																																			
Jun 30	Drawings	2 000	(1)	Jun 30	Balance b/d	3 900	(1)																																			
	Capital	<u>2 000</u>	(1)		Purchases	<u>100</u>	(1)																																			
		<u>4 000</u>				<u>4 000</u>																																				
5(b)(i)	<p style="text-align: center;">Satisfish Statement of correction of gross profit for the year ended 30 June 2017</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 15%;">No Effect</th> <th style="width: 15%;">Increase \$</th> <th style="width: 15%;">Decrease \$</th> <th style="width: 25%;">\$</th> </tr> </thead> <tbody> <tr> <td>Draft gross profit</td> <td></td> <td></td> <td></td> <td style="text-align: right;">20 000</td> </tr> <tr> <td>Error 1</td> <td></td> <td style="text-align: right;">400 (2)</td> <td></td> <td></td> </tr> <tr> <td>Error 2</td> <td></td> <td></td> <td style="text-align: right;">550 (2)</td> <td></td> </tr> <tr> <td>Error 3</td> <td></td> <td></td> <td style="text-align: right;">100 (2)</td> <td></td> </tr> <tr> <td>Error 4</td> <td style="text-align: center;">✓ (1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>400</u></td> <td style="text-align: right;"><u>650</u></td> <td style="text-align: right;"><u>(250)</u></td> </tr> <tr> <td>Corrected gross profit</td> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>19 750</u> <b>(1)OF</b></td> </tr> </tbody> </table> <p>*(2 marks) = (1) for right column, and second mark for correct amount</p>		No Effect	Increase \$	Decrease \$	\$	Draft gross profit				20 000	Error 1		400 (2)			Error 2			550 (2)		Error 3			100 (2)		Error 4	✓ (1)						<u>400</u>	<u>650</u>	<u>(250)</u>	Corrected gross profit				<u>19 750</u> <b>(1)OF</b>	8
	No Effect	Increase \$	Decrease \$	\$																																						
Draft gross profit				20 000																																						
Error 1		400 (2)																																								
Error 2			550 (2)																																							
Error 3			100 (2)																																							
Error 4	✓ (1)																																									
		<u>400</u>	<u>650</u>	<u>(250)</u>																																						
Corrected gross profit				<u>19 750</u> <b>(1)OF</b>																																						
5(b)(ii)	<table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 30%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 40%;"></td> </tr> <tr> <td>Corrected gross profit</td> <td></td> <td></td> <td>19 750</td> <td><b>(1)OF</b></td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">6 000</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">2 800</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other operating expenses</td> <td style="text-align: right;">4 180</td> <td>(2)*</td> <td></td> <td></td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;"><u>1 500</u></td> <td>(1)</td> <td style="text-align: right;"><u>14 480</u></td> <td></td> </tr> <tr> <td>Profit for the year</td> <td></td> <td></td> <td style="text-align: right;"><u>5 270</u></td> <td><b>(1)OF</b></td> </tr> </table> <p>*2 marks for all three components, 1 mark for two components</p>		\$		\$		Corrected gross profit			19 750	<b>(1)OF</b>	Rent	6 000				Wages	2 800				Other operating expenses	4 180	(2)*			Depreciation	<u>1 500</u>	(1)	<u>14 480</u>		Profit for the year			<u>5 270</u>	<b>(1)OF</b>	5					
	\$		\$																																							
Corrected gross profit			19 750	<b>(1)OF</b>																																						
Rent	6 000																																									
Wages	2 800																																									
Other operating expenses	4 180	(2)*																																								
Depreciation	<u>1 500</u>	(1)	<u>14 480</u>																																							
Profit for the year			<u>5 270</u>	<b>(1)OF</b>																																						

Question	Answer	Marks																																																																												
5(c)	<p style="text-align: center;">Satisfish Statement of Financial Position at 30 June 2017</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 15%; text-align: center;">\$ Cost</th> <th style="width: 15%; text-align: center;">\$ Accumulated depreciation</th> <th style="width: 10%; text-align: center;">\$ Net book value</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Fixtures and fittings</td> <td style="text-align: right;"><u>12 000 (1)</u></td> <td style="text-align: right;"><u>4 500 (1)</u></td> <td style="text-align: right;"><u>7 500</u></td> </tr> <tr> <td>Current assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Inventory (4 620 – 550)</td> <td></td> <td></td> <td style="text-align: right;">4 070 (1)</td> </tr> <tr> <td>Trade receivables (3 100 + 400)</td> <td></td> <td></td> <td style="text-align: right;"><u>3 500 (1)</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>7 570</u></td> </tr> <tr> <td>Total assets</td> <td></td> <td></td> <td style="text-align: right;"><u>15 070</u></td> </tr> <tr> <td>Capital at 1 July 2016</td> <td></td> <td></td> <td style="text-align: right;">14 200 (1)</td> </tr> <tr> <td>Capital introduced</td> <td></td> <td></td> <td style="text-align: right;">2 000 (1)</td> </tr> <tr> <td>Profit</td> <td></td> <td></td> <td style="text-align: right;"><u>5 270 (1)OF</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">21 470</td> </tr> <tr> <td>Drawings</td> <td></td> <td></td> <td style="text-align: right;"><u>8 900 (1)</u></td> </tr> <tr> <td>Capital at 30 June 2017</td> <td></td> <td></td> <td style="text-align: right;"><u>12 570</u></td> </tr> <tr> <td>Current liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Trade payables</td> <td></td> <td></td> <td style="text-align: right;">1 900 (1)</td> </tr> <tr> <td>Bank</td> <td></td> <td></td> <td style="text-align: right;"><u>600 (1)</u></td> </tr> <tr> <td>Total liabilities</td> <td></td> <td></td> <td style="text-align: right;"><u>2 500</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>15 070</u></td> </tr> </tbody> </table> <p>Accept alternative presentation</p>		\$ Cost	\$ Accumulated depreciation	\$ Net book value	Non-current assets				Fixtures and fittings	<u>12 000 (1)</u>	<u>4 500 (1)</u>	<u>7 500</u>	Current assets				Inventory (4 620 – 550)			4 070 (1)	Trade receivables (3 100 + 400)			<u>3 500 (1)</u>				<u>7 570</u>	Total assets			<u>15 070</u>	Capital at 1 July 2016			14 200 (1)	Capital introduced			2 000 (1)	Profit			<u>5 270 (1)OF</u>				21 470	Drawings			<u>8 900 (1)</u>	Capital at 30 June 2017			<u>12 570</u>	Current liabilities				Trade payables			1 900 (1)	Bank			<u>600 (1)</u>	Total liabilities			<u>2 500</u>				<u>15 070</u>	<b>10</b>
	\$ Cost	\$ Accumulated depreciation	\$ Net book value																																																																											
Non-current assets																																																																														
Fixtures and fittings	<u>12 000 (1)</u>	<u>4 500 (1)</u>	<u>7 500</u>																																																																											
Current assets																																																																														
Inventory (4 620 – 550)			4 070 (1)																																																																											
Trade receivables (3 100 + 400)			<u>3 500 (1)</u>																																																																											
			<u>7 570</u>																																																																											
Total assets			<u>15 070</u>																																																																											
Capital at 1 July 2016			14 200 (1)																																																																											
Capital introduced			2 000 (1)																																																																											
Profit			<u>5 270 (1)OF</u>																																																																											
			21 470																																																																											
Drawings			<u>8 900 (1)</u>																																																																											
Capital at 30 June 2017			<u>12 570</u>																																																																											
Current liabilities																																																																														
Trade payables			1 900 (1)																																																																											
Bank			<u>600 (1)</u>																																																																											
Total liabilities			<u>2 500</u>																																																																											
			<u>15 070</u>																																																																											

https://xtremepape.rs/

Question	Answer	Marks																																				
6(a)	A business in which two or more people work together as owners.	<b>1</b>																																				
6(b)	<p style="text-align: center;">Amina and Samara                      Appropriation Account for the year ended 30 June 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;">17 500</td> <td></td> </tr> <tr> <td>Interest on capital – Amina</td> <td style="text-align: right;">5 500</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>– Samara</td> <td style="text-align: right; border-bottom: 1px solid black;">2 000</td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">(1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">7 500</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">10 000</td> <td></td> </tr> <tr> <td>Share of profit – Amina</td> <td style="text-align: right;">6 000</td> <td></td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td>– Samara</td> <td style="text-align: right; border-bottom: 1px solid black;">4 000</td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">(1)OF</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">10 000</td> <td></td> </tr> </table>		\$	\$		Profit for the year		17 500		Interest on capital – Amina	5 500		(1)	– Samara	2 000		(1)			7 500				10 000		Share of profit – Amina	6 000		(1)OF	– Samara	4 000		(1)OF			10 000		<b>4</b>
	\$	\$																																				
Profit for the year		17 500																																				
Interest on capital – Amina	5 500		(1)																																			
– Samara	2 000		(1)																																			
		7 500																																				
		10 000																																				
Share of profit – Amina	6 000		(1)OF																																			
– Samara	4 000		(1)OF																																			
		10 000																																				

Question	Answer								Marks																																																															
6(c)	<p style="text-align: center;">Amina and Samara Capital accounts</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 15%;">Details</th> <th style="width: 10%;">Amina \$</th> <th style="width: 10%;">Samara \$</th> <th style="width: 10%;">Date</th> <th style="width: 15%;">Details</th> <th style="width: 10%;">Amina \$</th> <th style="width: 10%;">Samara \$</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>2017 Jun 30</td> <td>Balance c/d</td> <td style="text-align: right;">60 000</td> <td style="text-align: right;">20 000</td> <td>2016 Jul 1</td> <td>Balance b/d</td> <td style="text-align: right;">50 000</td> <td style="text-align: right;">20 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>2017 Jan 1</td> <td>Cash</td> <td style="text-align: right;">10 000</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">60 000</td> <td style="border-top: 1px solid black; text-align: right;">20 000</td> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">60 000</td> <td style="border-top: 1px solid black; text-align: right;">20 000</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>2017 Jul 1</td> <td>Balance b/d</td> <td style="text-align: right;">60 000</td> <td style="text-align: right;">20 000</td> <td style="text-align: right;">(1) OF</td> </tr> </tbody> </table>								Date	Details	Amina \$	Samara \$	Date	Details	Amina \$	Samara \$		2017 Jun 30	Balance c/d	60 000	20 000	2016 Jul 1	Balance b/d	50 000	20 000	(1)					2017 Jan 1	Cash	10 000		(1)			60 000	20 000			60 000	20 000						2017 Jul 1	Balance b/d	60 000	20 000	(1) OF	<b>3</b>																		
Date	Details	Amina \$	Samara \$	Date	Details	Amina \$	Samara \$																																																																	
2017 Jun 30	Balance c/d	60 000	20 000	2016 Jul 1	Balance b/d	50 000	20 000	(1)																																																																
				2017 Jan 1	Cash	10 000		(1)																																																																
		60 000	20 000			60 000	20 000																																																																	
				2017 Jul 1	Balance b/d	60 000	20 000	(1) OF																																																																
	<p style="text-align: center;">Current accounts</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 15%;">Details</th> <th style="width: 10%;">Amina \$</th> <th style="width: 10%;">Samara \$</th> <th style="width: 10%;">Date</th> <th style="width: 15%;">Details</th> <th style="width: 10%;">Amina \$</th> <th style="width: 10%;">Samara \$</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>2017 Jun 30</td> <td>Drawings</td> <td style="text-align: right;">8 000</td> <td style="text-align: right;">12 000 (1)</td> <td>2016 Jul 1</td> <td>Balance b/d</td> <td style="text-align: right;">4 000</td> <td style="text-align: right;">3 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td>Balance c/d</td> <td style="text-align: right;">7 500</td> <td></td> <td>2017 Jun 30</td> <td>Interest on capital</td> <td style="text-align: right;">5 500</td> <td style="text-align: right;">2 000</td> <td style="text-align: right;">(1of)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Share of profit</td> <td style="text-align: right;">6 000</td> <td style="text-align: right;">4 000</td> <td style="text-align: right;">(1of)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Balance c/d</td> <td></td> <td style="text-align: right;">3 000</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">15 500</td> <td style="border-top: 1px solid black; text-align: right;">12 000</td> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">15 500</td> <td style="border-top: 1px solid black; text-align: right;">12 000</td> <td></td> </tr> <tr> <td>Jul 1</td> <td>Balance b/d</td> <td></td> <td style="text-align: right;">3 000</td> <td>Jul 1</td> <td>Balance b/d</td> <td style="text-align: right;">7 500</td> <td></td> <td style="text-align: right;">(1of)</td> </tr> </tbody> </table> <p><b>Where appropriate mark is for both entries</b></p>								Date	Details	Amina \$	Samara \$	Date	Details	Amina \$	Samara \$		2017 Jun 30	Drawings	8 000	12 000 (1)	2016 Jul 1	Balance b/d	4 000	3 000	(1)		Balance c/d	7 500		2017 Jun 30	Interest on capital	5 500	2 000	(1of)						Share of profit	6 000	4 000	(1of)						Balance c/d		3 000				15 500	12 000			15 500	12 000		Jul 1	Balance b/d		3 000	Jul 1	Balance b/d	7 500		(1of)	<b>5</b>
Date	Details	Amina \$	Samara \$	Date	Details	Amina \$	Samara \$																																																																	
2017 Jun 30	Drawings	8 000	12 000 (1)	2016 Jul 1	Balance b/d	4 000	3 000	(1)																																																																
	Balance c/d	7 500		2017 Jun 30	Interest on capital	5 500	2 000	(1of)																																																																
					Share of profit	6 000	4 000	(1of)																																																																
					Balance c/d		3 000																																																																	
		15 500	12 000			15 500	12 000																																																																	
Jul 1	Balance b/d		3 000	Jul 1	Balance b/d	7 500		(1of)																																																																
6(d)	<p>Profit for the year would be lower by the amount of the loan interest. <b>(1)</b>  Interest on capital would be lower by the interest on the additional capital. <b>(1)</b>  Shares of profit might be higher or lower depending on rate of loan interest. <b>(1)</b>  <b>Max 2</b></p>								<b>2</b>																																																															

Question	Answer	Marks
6(e)	Samara has a debit balance on her current account <b>(1)</b> which means that she owes funds to the business. <b>(1)</b> Samara's drawings are greater than her total allocation of profit, <b>(1)</b> which means she is reducing the capital of the business. <b>(1)</b> The partnership agreement could be amended <b>(1)</b> to introduce a partner's salary/interest on drawings/change in the profit sharing ratio. <b>(1)</b> Amina has had to introduce additional capital <b>(1)</b> in order to run the day to day business/cover what Samara has taken as drawings. <b>(1)</b> One mark for basic point, plus one for development to <b>max 4</b>	<b>4</b>