



Cambridge IGCSE™

ACCOUNTING

0452/21

Paper 2

October/November 2020

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 2020 series for most Cambridge IGCSE™, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

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

PUBLISHED**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.

https://xtremepape.rs/

Question	Answer				Marks
1(a)	Sariah Journal				4
	Details	Debit \$	Credit \$		
	Motor vehicles			(1)	
	Sharpe Motors			(1)	
Irrecoverable debts			(1)		
Ruhee			(1)		

https://xtremepape.rs/

Question	Answer	Marks																																																																																																																																																
1(b)	<p>Sariah Fixtures and fittings account</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">2019</td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 30%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td>Oct 1 Balance b/d</td> <td></td> <td style="text-align: right;">28 600</td> <td>2020</td> <td></td> <td></td> </tr> <tr> <td>2020</td> <td></td> <td></td> <td>Jan 31 Disposal</td> <td style="text-align: right;">1 500</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Mar 31 Bank</td> <td></td> <td style="text-align: right;"><u>3 500</u> (1)</td> <td>Sep 30 Balance c/d</td> <td style="text-align: right;">30 600</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>32 100</u></td> <td></td> <td style="text-align: right;"><u>32 100</u></td> <td></td> </tr> <tr> <td colspan="6"> </td> </tr> <tr> <td>2020</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Oct 1 Balance b/d</td> <td></td> <td style="text-align: right;">30 600 (1) OF</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="6"> </td> </tr> <tr> <td colspan="6" style="text-align: center;">Provision for depreciation of fixtures and fittings account</td> </tr> <tr> <td>2020</td> <td style="text-align: center;">\$</td> <td></td> <td>2019</td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td>Jan 31 Disposal</td> <td></td> <td style="text-align: right;">285 (1)</td> <td>Oct 1 Balance b/d</td> <td style="text-align: right;">6 185</td> <td></td> </tr> <tr> <td>Sep 30 Balance c/d</td> <td></td> <td style="text-align: right;">8 370</td> <td>2020</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Sep 30 Income statement</td> <td style="text-align: right;"><u>2 470</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>8 655</u></td> <td></td> <td style="text-align: right;"><u>8 655</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">2020</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Oct 1 Balance b/d</td> <td style="text-align: right;">8 370</td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td colspan="6"> </td> </tr> <tr> <td colspan="6" style="text-align: center;">Disposal account</td> </tr> <tr> <td>2020</td> <td style="text-align: center;">\$</td> <td></td> <td>2020</td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td>Jan 31 Fixtures and fittings</td> <td></td> <td style="text-align: right;">1 500 (1)</td> <td>Jan 31 Prov. for Dep.</td> <td style="text-align: right;">285</td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Bank</td> <td style="text-align: right;">1 150</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Sep 30 Income statement</td> <td style="text-align: right;"><u>65</u></td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>1 500</u></td> <td></td> <td style="text-align: right;"><u>1 500</u></td> <td></td> </tr> </table>	2019	\$					Oct 1 Balance b/d		28 600	2020			2020			Jan 31 Disposal	1 500	(1)	Mar 31 Bank		<u>3 500</u> (1)	Sep 30 Balance c/d	30 600				<u>32 100</u>		<u>32 100</u>								2020						Oct 1 Balance b/d		30 600 (1) OF										Provision for depreciation of fixtures and fittings account						2020	\$		2019	\$		Jan 31 Disposal		285 (1)	Oct 1 Balance b/d	6 185		Sep 30 Balance c/d		8 370	2020						Sep 30 Income statement	<u>2 470</u>	(1)			<u>8 655</u>		<u>8 655</u>						2020					Oct 1 Balance b/d	8 370	(1)OF							Disposal account						2020	\$		2020	\$		Jan 31 Fixtures and fittings		1 500 (1)	Jan 31 Prov. for Dep.	285	(1)OF				Bank	1 150	(1)				Sep 30 Income statement	<u>65</u>	(1)OF			<u>1 500</u>		<u>1 500</u>		11
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1(c)	<p>Advantages Emy may introduce additional capital (1) Emy may bring additional specialist skills to the business (1) Sariah may benefit from Emy's contacts from her business (1) The partners will be able to share the workload/responsibilities/risks (1) Accept other valid responses Max (2)</p> <p>Disadvantages Sariah will have to share profits with Emy (1) Decision making may take longer (1) Disagreements between the partners may occur (1) Accept other valid responses Max (2)</p> <p>Recommendation (1)</p>	5

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2(a)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td>Balance at 31 July 2020</td> <td style="text-align: right;">(3 420)</td> <td></td> </tr> <tr> <td>Direct debit payment</td> <td style="text-align: right;">(350)</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Dishonoured cheque</td> <td style="text-align: right;">(665)</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Bank charges</td> <td style="text-align: right;">(45)</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Revised balance at 31 July 2020</td> <td style="text-align: right;"><u>(4 480)</u></td> <td style="text-align: right;">(1)OF</td> </tr> </table> <p>Accept alternative forms of presentation</p>		\$		Balance at 31 July 2020	(3 420)		Direct debit payment	(350)	(1)	Dishonoured cheque	(665)	(1)	Bank charges	(45)	(1)	Revised balance at 31 July 2020	<u>(4 480)</u>	(1)OF	4
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2(c)(i)	Do not have to pay the purchase price of these assets (1) Will pay a monthly/yearly hire charge which spreads the outlay (1) Will possibly have to pay more than the actual cost if hire for a long time (1) Will never own these assets (1) Possibly will not have any repair costs (1) There will be no depreciation charge (1) Accept other valid responses Max 1	1																																																																
2(c)(ii)	Money will be retained in the business for longer (1) Money is available for other purposes (1) May not be able to obtain cash discount (1) May be charged interest on an overdue balance (1) May damage relationship with suppliers (1) Accept other valid responses Max 1	1																																																																
2(d)	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center;">Eniola</th> </tr> <tr> <th colspan="4" style="text-align: center;">Rent and rates account</th> </tr> </thead> <tbody> <tr> <td style="width: 25%;"></td> <td style="width: 15%; text-align: right;">2019</td> <td style="width: 15%; text-align: right;">\$</td> <td style="width: 45%;"></td> </tr> <tr> <td></td> <td style="text-align: right;"><i>Aug 1 Balance (rates) b/d</i></td> <td style="text-align: right;">260</td> <td style="text-align: right;"><i>2019 Aug 1 Balance (rent) b/d</i></td> </tr> <tr> <td></td> <td style="text-align: right;">Bank</td> <td style="text-align: right;">3 150 }</td> <td style="text-align: right;">900</td> </tr> <tr> <td></td> <td style="text-align: right;">Oct 1 Bank</td> <td style="text-align: right;">1 860 }</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">2020</td> <td style="text-align: right;">} (1)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">Mar 1 Bank</td> <td style="text-align: right;">2 700 }</td> <td style="text-align: right;"><i>Jul 31 Income statement</i></td> </tr> <tr> <td></td> <td style="text-align: right;">Jul 31 Balance</td> <td style="text-align: right;">c/d <u>450</u></td> <td style="text-align: right;">Rent 5400</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>8 420</u></td> <td style="text-align: right;">Rates <u>1810</u> (1)OF</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">7 210 (1)OF</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">Balance c/d <u>310</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>8 420</u></td> </tr> <tr> <td></td> <td style="text-align: right;">2020</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">Aug 1 Balance (rates) b/d</td> <td style="text-align: right;">310 (1)</td> <td style="text-align: right;">2020 Aug 1 Balance (rent) b/d</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">450 (1)</td> </tr> </tbody> </table> <p>+ (1) dates</p>	Eniola				Rent and rates account					2019	\$			<i>Aug 1 Balance (rates) b/d</i>	260	<i>2019 Aug 1 Balance (rent) b/d</i>		Bank	3 150 }	900		Oct 1 Bank	1 860 }			2020	} (1)			Mar 1 Bank	2 700 }	<i>Jul 31 Income statement</i>		Jul 31 Balance	c/d <u>450</u>	Rent 5400			<u>8 420</u>	Rates <u>1810</u> (1)OF				7 210 (1)OF				Balance c/d <u>310</u>				<u>8 420</u>		2020				Aug 1 Balance (rates) b/d	310 (1)	2020 Aug 1 Balance (rent) b/d				450 (1)	6
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2(f)(i)	Matching or prudence (1)	1
2(f)(ii)	Matching – the expense for the year is matched to the revenue for the year (1) OR Prudence – ensures that the profit for the year is not overstated (1)	1

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3(a)	<p style="text-align: center;">Haziq Income Statement for the year ended 31 July 2020</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td>Revenue</td> <td></td> <td style="text-align: right;">166 000</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Cost of sales</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Opening inventory</td> <td style="text-align: right;">8 400</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Purchases (96 220 (1) – 6 280 (1) + 7 460 (1))</td> <td style="text-align: right;"><u>97 400</u></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">105 800</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Less Closing inventory</td> <td style="text-align: right;"><u>6 200</u></td> <td style="text-align: right;">(1)OF</td> <td style="text-align: right;"><u>99 600</u></td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td>Gross profit</td> <td></td> <td></td> <td style="text-align: right;">66 400</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Less expenses</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Rent (2 640 (1) + 240 (1))</td> <td style="text-align: right;">2 880</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Wages (41 400 (1) + 610 (1))</td> <td style="text-align: right;">42 010</td> <td></td> <td></td> <td></td> </tr> <tr> <td>General expenses</td> <td style="text-align: right;">10 890</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td>Depreciation of non-current assets (35 580 – 32 450)</td> <td style="text-align: right;"><u>3 130</u></td> <td style="text-align: right;">(1)</td> <td style="text-align: right;"><u>58 910</u></td> <td></td> </tr> <tr> <td>Profit from operations</td> <td></td> <td></td> <td style="text-align: right;">7 490</td> <td></td> </tr> <tr> <td>Less Loan interest</td> <td></td> <td></td> <td style="text-align: right;"><u>300</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Profit for the year</td> <td></td> <td></td> <td style="text-align: right;"><u>7 190</u></td> <td style="text-align: right;">(1)OF</td> </tr> </table>		\$	\$			Revenue		166 000		(1)	Cost of sales					Opening inventory	8 400				Purchases (96 220 (1) – 6 280 (1) + 7 460 (1))	<u>97 400</u>					105 800				Less Closing inventory	<u>6 200</u>	(1)OF	<u>99 600</u>	(1)OF	Gross profit			66 400	(1)	Less expenses					Rent (2 640 (1) + 240 (1))	2 880				Wages (41 400 (1) + 610 (1))	42 010				General expenses	10 890	(1)			Depreciation of non-current assets (35 580 – 32 450)	<u>3 130</u>	(1)	<u>58 910</u>		Profit from operations			7 490		Less Loan interest			<u>300</u>	(1)	Profit for the year			<u>7 190</u>	(1)OF	15
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Depreciation of non-current assets (35 580 – 32 450)	<u>3 130</u>	(1)	<u>58 910</u>																																																																															
Profit from operations			7 490																																																																															
Less Loan interest			<u>300</u>	(1)																																																																														
Profit for the year			<u>7 190</u>	(1)OF																																																																														

Question	Answer	Marks
3(b)	<p>Advantages Enables easier production of financial statements (1) Enables greater accuracy of the financial records (1) Provides checks and balances to minimise possibility of fraud (1) Facilitates easier decision making/easier for reference/easier comparisons/better understanding of finances (1) Accept other valid responses Max (2)</p> <p>Disadvantages May be complex and harder to understand for the non-accountant (1) Time consuming (1) May be costly to set-up (1) Not all errors will be identified (1) Accept other valid responses Max (2)</p> <p>Recommendation (1)</p>	5

Question	Answer	Marks																																										
4(a)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td>Inventory at 30 September 2020</td> <td style="text-align: right;">26 300</td> <td></td> </tr> <tr> <td>Original cost of damaged goods</td> <td style="text-align: right;">(5 200) } (1)</td> <td></td> </tr> <tr> <td>Net realisable value of damaged goods</td> <td style="text-align: right;"><u>4 400</u> }</td> <td></td> </tr> <tr> <td>Correct value of inventory</td> <td style="text-align: right;"><u>25 500</u> (1)OF</td> <td></td> </tr> </table> <p>Accept alternative forms of presentation</p>		\$		Inventory at 30 September 2020	26 300		Original cost of damaged goods	(5 200) } (1)		Net realisable value of damaged goods	<u>4 400</u> }		Correct value of inventory	<u>25 500</u> (1)OF		2																											
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5(b)(ii)	Aziz has less inventory (1) Aziz has higher current ratio (1)			2																		
5(b)(iii)	Aziz has higher profit for the year (1) Aziz has lower capital employed (1) Aziz has lower non-current liabilities (1) Max 2			2																		
5(c)	Nazim has lower sales (1) Nazim has higher inventory (1) Max 1			1																		

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5(d)	<p>Advantages Cash received earlier (1) Reduces possibility of irrecoverable debts (1) May reduce bank overdraft interest charges (1) Accept other valid responses Max (2)</p> <p>Disadvantages May lose customers/may reduce sales (1) Will increase administration costs/may reduce profits (1) May damage relationship with customers (1) Max (2)</p> <p>Recommendation (1)</p>	5