
PRINCIPLES OF ACCOUNTS

7110/21

Paper 2 Structured

October/November 2018

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 2018 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.

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.

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Question	Answer						Marks
1(a)	Lohit account						5
	Date	Details	\$	Date	Details	\$	
	August			August			
	10	Purchases return	17 (1)	1	Balance b/d	90 (1)	
	15	Bank	97	9	Purchases	68 (1)	
		Discount received	3 (1)				
	31	Balance c/d	<u>41</u>			<u> </u>	
			<u>158</u>			<u>158</u>	
				September			
				1	Balance b/d	41 (1)of	
1(b)(i)	Trade discount (1)						5
1(b)(ii)	Sales journal (1)						
1(b)(iii)	Credit note (1)						
1(b)(iv)	Sales ledger (1)						
1(b)(v)	Current assets (1)						
1(c)(i)	\$150 is prepaid (1) at the start of the year, but relates to/must be matched to the year ended 31 August 2018. (1)						2
1(c)(ii)	\$25 is owing/accrued (1) for the expense used in the current year. (1)						2

Question	Answer					Marks		
1(d)			Trial balance at 31 August 2018	Income statement For the year ended 31 August 2018		Statement of financial position at 31 August 2018	6	
				Expenses	Income	Assets		Liabilities
			\$	\$	\$	\$		\$
	Rent payable	14 150	13 900	–	250	–		
	Telephone expenses	1 560 (1)	1 585 (1)	–	–	25 (1)		
	Rent receivable	2 000 (1)	–	2 500 (1)	500 (1)	–		

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Question	Answer						Marks																																																																	
2(a)	Sales ledger control account						9																																																																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>July</td> <td></td> <td></td> <td>July</td> <td></td> <td></td> </tr> <tr> <td>1</td> <td>Balance b/d</td> <td>4 230</td> <td>1</td> <td>Balance b/d</td> <td>80</td> </tr> <tr> <td>31</td> <td>Credit sales</td> <td>9 200 (1)</td> <td>31</td> <td>Bad debts</td> <td>450 (1)</td> </tr> <tr> <td></td> <td>Bank/refund</td> <td>300 (1)</td> <td></td> <td>Discount allowed</td> <td>230 (1)</td> </tr> <tr> <td></td> <td>Interest charged</td> <td>180 (1)</td> <td></td> <td>Returns inwards</td> <td>740 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Bank/cash</td> <td>8 000 (1)</td> </tr> <tr> <td></td> <td>Balance c/d</td> <td><u>150</u></td> <td></td> <td>Balance c/d</td> <td><u>4 560</u></td> </tr> <tr> <td></td> <td></td> <td><u>14 060</u></td> <td></td> <td></td> <td><u>14 060</u></td> </tr> <tr> <td>August</td> <td></td> <td></td> <td>August</td> <td></td> <td></td> </tr> <tr> <td>1</td> <td>Balance b/d</td> <td>4 560 (1)of</td> <td>1</td> <td>Balance b/d</td> <td>150 (1)</td> </tr> </tbody> </table>							Date	Details	\$	Date	Details	\$	July			July			1	Balance b/d	4 230	1	Balance b/d	80	31	Credit sales	9 200 (1)	31	Bad debts	450 (1)		Bank/refund	300 (1)		Discount allowed	230 (1)		Interest charged	180 (1)		Returns inwards	740 (1)					Bank/cash	8 000 (1)		Balance c/d	<u>150</u>		Balance c/d	<u>4 560</u>			<u>14 060</u>			<u>14 060</u>	August			August			1	Balance b/d	4 560 (1)of	1	Balance b/d	150 (1)
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2(b)	<p>Returns made after payment (1) Refund due after payment (1) Payment made in advance (1)</p> <p>Accept other valid points.</p> <p>Max 1.</p>						1																																																																	

Question	Answer	Marks																														
2(c)	<p style="text-align: center;">General Journal</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Debit</th> <th style="text-align: center;">Credit</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> <tr> <td>Suspense</td> <td style="text-align: center;">20 (1)</td> <td></td> </tr> <tr> <td>Dipu</td> <td></td> <td style="text-align: center;">20 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Arca</td> <td style="text-align: center;">180 (1)</td> <td></td> </tr> <tr> <td>Suspense</td> <td></td> <td style="text-align: center;">180 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Discount allowed</td> <td style="text-align: center;">30 (1)</td> <td></td> </tr> <tr> <td>Suspense</td> <td></td> <td style="text-align: center;">30 (1)</td> </tr> </tbody> </table>		Debit	Credit		\$	\$	Suspense	20 (1)		Dipu		20 (1)				Arca	180 (1)		Suspense		180 (1)				Discount allowed	30 (1)		Suspense		30 (1)	6
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Question	Answer						Marks
2(d)	Suspense account						4
	Date	Details	\$	Date	Details	\$	
	2018 July 31	Balance b/d	190 (1)of	2018 July 31	Arca	180 (1)	
		Dipu	<u>20</u> (1)		Discount allowed	<u>30</u> (1)of	
			<u>210</u>			<u>210</u>	

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3(a)	Debentures are a loan to the company. (1) They are not part of the equity of the company. (1)	2																																																												
3(b)	$\frac{\$21000}{300000 \text{ shares (1)}} = \$0.07 \text{ (7 cents) per share (1)}$	2																																																												
3(c)	<p style="text-align: center;">B Limited Extract from the Statement of Financial Position at 31 August 2018</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: right;">\$</th> <th style="width: 10%; text-align: right;">\$</th> <th style="width: 20%;"></th> </tr> </thead> <tbody> <tr> <td>Equity and reserves</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Ordinary shares of \$0.50 each</td> <td></td> <td style="text-align: right;"><u>150 000</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>General reserve</td> <td style="text-align: right;">90 000</td> <td></td> <td></td> </tr> <tr> <td>Retained earnings</td> <td style="text-align: right;"><u>114 000</u></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>204 000</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>354 000</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Non-current liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td>6% Debenture</td> <td></td> <td style="text-align: right;">50 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Current liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td>5% Bank loan (repayable 31 May 2019)</td> <td style="text-align: right;">40 000</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Trade payables</td> <td style="text-align: right;">73 000</td> <td></td> <td></td> </tr> <tr> <td>Other payables: (4 800 + 5 300)</td> <td style="text-align: right;"><u>10 100</u></td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>123 100</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u><u>527 100</u></u></td> <td></td> </tr> </tbody> </table>		\$	\$		Equity and reserves				Ordinary shares of \$0.50 each		<u>150 000</u>	(1)	General reserve	90 000			Retained earnings	<u>114 000</u>					<u>204 000</u>	(1)			<u>354 000</u>	(1)	Non-current liabilities				6% Debenture		50 000	(1)	Current liabilities				5% Bank loan (repayable 31 May 2019)	40 000		(1)	Trade payables	73 000			Other payables: (4 800 + 5 300)	<u>10 100</u>		(1)			<u>123 100</u>				<u><u>527 100</u></u>		6
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3(d)	Retain cash in the business (1) For expansion (1) Purchase non-current assets (1) Retain working capital (1) To indicate that the general reserve is not reflected in liquid assets. (1) Accept other valid points. Max 2	2								
3(e)	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Ordinary shares</td> <td style="width: 50%;">Preference shares</td> </tr> <tr> <td>Variable percentage of dividend</td> <td>Maximum fixed rate of dividend</td> </tr> <tr> <td>Paid dividend after preference shares</td> <td>Paid dividend before ordinary shares</td> </tr> <tr> <td>Last to receive capital in liquidation</td> <td>Receive capital before ordinary shares in liquidation</td> </tr> </table> Two differences (1) mark for ordinary shares (1) mark for preference shares · 2 Accept other valid points.	Ordinary shares	Preference shares	Variable percentage of dividend	Maximum fixed rate of dividend	Paid dividend after preference shares	Paid dividend before ordinary shares	Last to receive capital in liquidation	Receive capital before ordinary shares in liquidation	4
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Variable percentage of dividend	Maximum fixed rate of dividend									
Paid dividend after preference shares	Paid dividend before ordinary shares									
Last to receive capital in liquidation	Receive capital before ordinary shares in liquidation									
3(f)	If there is insufficient profit to meet the full dividend on a cumulative preference share the shortfall can be carried forward to the following year. (1) If there is insufficient profit to meet the full dividend on a non-cumulative share the unpaid proportion cannot be carried forward to a subsequent year and will be lost. (1)	2								

Question	Answer				Marks																
3(g)	<table border="1" data-bbox="609 248 1666 580"> <thead> <tr> <th data-bbox="609 248 987 384"></th> <th data-bbox="987 248 1211 384">Income statement</th> <th data-bbox="1211 248 1435 384">Statement of changes in equity</th> <th data-bbox="1435 248 1666 384">Statement of financial position</th> </tr> </thead> <tbody> <tr> <td data-bbox="609 384 987 448"><i>Ordinary dividend paid</i></td> <td data-bbox="987 384 1211 448"></td> <td data-bbox="1211 384 1435 448">✓</td> <td data-bbox="1435 384 1666 448"></td> </tr> <tr> <td data-bbox="609 448 987 512">Directors' salary</td> <td data-bbox="987 448 1211 512">✓ (1)</td> <td data-bbox="1211 448 1435 512"></td> <td data-bbox="1435 448 1666 512"></td> </tr> <tr> <td data-bbox="609 512 987 580">Other receivables</td> <td data-bbox="987 512 1211 580"></td> <td data-bbox="1211 512 1435 580"></td> <td data-bbox="1435 512 1666 580">✓ (1)</td> </tr> </tbody> </table>					Income statement	Statement of changes in equity	Statement of financial position	<i>Ordinary dividend paid</i>		✓		Directors' salary	✓ (1)			Other receivables			✓ (1)	2
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Directors' salary	✓ (1)																				
Other receivables			✓ (1)																		

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4(a)	<p>Percentage mark-up $\frac{\text{Gross profit} \cdot 100}{\text{Cost of sales}} = \frac{60\,000}{180\,000} \cdot 100 = 33.33\% \text{ (1)of}$</p> <p>Percentage profit for the year to revenue $\frac{\text{Profit} \cdot 100}{\text{Revenue}} = \frac{15\,000}{240\,000} \cdot 100 = 6.25\% \text{ (1)of}$</p> <p>Return on capital employed (ROCE) $\frac{\text{Profit} \cdot 100}{\text{Capital employed}} = \frac{15\,000}{100\,000} \cdot 100 = 15.00\% \text{ (1)of}$</p>	6																								
4(b)	<p style="text-align: center;">Linrae Income Statement for the year ended 30 September 2018</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Revenue</td> <td></td> <td style="text-align: right;">308 000</td> </tr> <tr> <td>Cost of sales</td> <td></td> <td style="text-align: right;"><u>(220 000)</u> (1)</td> </tr> <tr> <td>Gross profit</td> <td></td> <td style="text-align: right;">88 000 (1) of</td> </tr> <tr> <td>Expenses (35 000 + 4 000 + 5 000)</td> <td style="text-align: right;">44 000 (1)</td> <td></td> </tr> <tr> <td>Depreciation (10 000 + 2 000)</td> <td style="text-align: right;"><u>12 000</u> (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>(56 000)</u></td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;"><u>32 000</u></td> </tr> </table>		\$	\$	Revenue		308 000	Cost of sales		<u>(220 000)</u> (1)	Gross profit		88 000 (1) of	Expenses (35 000 + 4 000 + 5 000)	44 000 (1)		Depreciation (10 000 + 2 000)	<u>12 000</u> (1)				<u>(56 000)</u>	Profit for the year		<u>32 000</u>	4
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4(c)	The \$32 000 profit for the year ended 30 September 2018 would increase the capital. (1) Reduced drawings would increase capital (1).	2																								
4(d)	<p>Percentage profit for the year to revenue (profit margin) $\frac{\text{Profit} \cdot 100}{\text{Revenue}} = \frac{32\,000}{308\,000} \cdot 100 = 10.39\% \text{ (1)of}$</p> <p>Return on capital employed (ROCE) $\frac{\text{Profit} \cdot 100}{\text{Capital employed}} = \frac{32\,000}{110\,000 + 50\,000} \cdot 100 = 20.00\% \text{ (1)of}$</p>	4																								

Question	Answer	Marks
4(e)	<p>Comments based upon own figures</p> <p>The mark-up has increased (1) Increased profit may be the result of increased sales. (1) The profit for the year has increased. (1) The percentage profit for the year to revenue has improved (1) The ROCE percentage has improved (1) even though the capital employed now includes a \$50 000 bank loan. (1)</p> <p>Accept other valid points. Max 4</p>	

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5(a)	<p style="text-align: center;">Aung & Khin Income Statement and Appropriation Account for the year ended 30 September 2018</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;">\$</th> <th style="width: 20%; text-align: right;">\$</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td></td> <td style="text-align: right;">309 000</td> </tr> <tr> <td>Less Returns</td> <td></td> <td style="text-align: right;"><u>(9 100)</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">299 900 (1)</td> </tr> <tr> <td>Opening inventory</td> <td style="text-align: right;">19 700</td> <td></td> </tr> <tr> <td>Plus Purchases</td> <td style="text-align: right;"><u>174 000</u></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">193 700</td> <td></td> </tr> <tr> <td>Closing inventory</td> <td style="text-align: right;"><u>(36 000)</u></td> <td></td> </tr> <tr> <td>Cost of sales</td> <td></td> <td style="text-align: right;"><u>(157 700) (1)</u></td> </tr> <tr> <td>Gross profit</td> <td></td> <td style="text-align: right;">142 200 (1)of</td> </tr> <tr> <td>Other income</td> <td></td> <td></td> </tr> <tr> <td>Commission receivable (12 250 +1 750)</td> <td></td> <td style="text-align: right;"><u>14 000 (1)</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">156 200</td> </tr> <tr> <td>Less expenses:</td> <td></td> <td></td> </tr> <tr> <td>Marketing expenses (25 000 – 4 000)</td> <td style="text-align: right;">21 000 (1)</td> <td></td> </tr> <tr> <td>Other operating expenses</td> <td style="text-align: right;">17 250 (1)</td> <td></td> </tr> <tr> <td>Wages and salaries (40 500 – 9 000)</td> <td style="text-align: right;">31 500 (1)</td> <td></td> </tr> <tr> <td>Motor vehicle expenses</td> <td style="text-align: right;">9 200 (1)</td> <td></td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">12 000 (1)</td> <td></td> </tr> <tr> <td>Bank loan interest (3 600 + 1 200)</td> <td style="text-align: right;">4 800 (1)</td> <td></td> </tr> <tr> <td>Depreciation-</td> <td></td> <td></td> </tr> <tr> <td> Buildings</td> <td style="text-align: right;">2 400 (1)</td> <td></td> </tr> <tr> <td> Motor vehicles</td> <td style="text-align: right;">8 000 (1)</td> <td></td> </tr> <tr> <td> Office equipment</td> <td style="text-align: right;">6 400 (1)</td> <td></td> </tr> </tbody> </table>		\$	\$	Revenue		309 000	Less Returns		<u>(9 100)</u>			299 900 (1)	Opening inventory	19 700		Plus Purchases	<u>174 000</u>			193 700		Closing inventory	<u>(36 000)</u>		Cost of sales		<u>(157 700) (1)</u>	Gross profit		142 200 (1)of	Other income			Commission receivable (12 250 +1 750)		<u>14 000 (1)</u>			156 200	Less expenses:			Marketing expenses (25 000 – 4 000)	21 000 (1)		Other operating expenses	17 250 (1)		Wages and salaries (40 500 – 9 000)	31 500 (1)		Motor vehicle expenses	9 200 (1)		Rent	12 000 (1)		Bank loan interest (3 600 + 1 200)	4 800 (1)		Depreciation-			Buildings	2 400 (1)		Motor vehicles	8 000 (1)		Office equipment	6 400 (1)		20
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Motor vehicle expenses	9 200 (1)																																																																									
Rent	12 000 (1)																																																																									
Bank loan interest (3 600 + 1 200)	4 800 (1)																																																																									
Depreciation-																																																																										
Buildings	2 400 (1)																																																																									
Motor vehicles	8 000 (1)																																																																									
Office equipment	6 400 (1)																																																																									

Question	Answer		Marks																																																																											
5(a)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="text-align: center; width: 10%;">\$</td> <td style="width: 10%;"></td> <td style="text-align: center; width: 10%;">\$</td> <td style="width: 10%;"></td> </tr> <tr> <td>Bad debts</td> <td style="text-align: right;">5 000</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td>Increase in provision for doubtful debts</td> <td style="text-align: right; border-bottom: 1px solid black;">800</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td>Profit for the year</td> <td></td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">118 350</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">37 850</td> <td></td> </tr> <tr> <td>Interest on drawings:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> Aung</td> <td style="text-align: right;">450</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td> Khin</td> <td style="text-align: right; border-bottom: 1px solid black;">700</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">1 150</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">39 000</td> <td></td> </tr> <tr> <td>Salary – Khin</td> <td></td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">(9 000)</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">30 000</td> <td></td> </tr> <tr> <td>Share of profit:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> Aung</td> <td style="text-align: right;">18 000</td> <td style="text-align: right;">(1)of</td> <td></td> <td></td> </tr> <tr> <td> Khin</td> <td style="text-align: right; border-bottom: 1px solid black;">12 000</td> <td style="text-align: right;">(1)of</td> <td style="text-align: right; border-bottom: 1px solid black;">30 000</td> <td></td> </tr> </table>			\$		\$		Bad debts	5 000	(1)			Increase in provision for doubtful debts	800	(1)			Profit for the year			118 350					37 850		Interest on drawings:					Aung	450	(1)			Khin	700	(1)						1 150					39 000		Salary – Khin			(9 000)	(1)				30 000		Share of profit:					Aung	18 000	(1)of			Khin	12 000	(1)of	30 000		
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Question	Answer								Marks
5(b)	Current accounts								5
	Date	Details	Aung	Khin	Date	Details	Aung	Khin	
	Sept		\$	\$	Sept		\$	\$	
	30	Balance b/d	3 000		30	Balance b/d		6 000	
		Drawings	9 000	14 000		Salary		9 000 (1)	
		Int on drawings	450	700 (1)of		Profit share	18 000	12 000 (1)of	
		Salary paid		9 000 (1)					
		Balance c/d	<u>5 550</u>	<u>3 300</u>			_____	_____	
			<u>18 000</u>	<u>27 000</u>			<u>18 000</u>	<u>27 000</u>	
					Oct 1	Balance b/d	5 550	3 300 (1)of	
*Both entries									

PUBLISHED

Question	Answer	Marks																																																																																																																																																																
5(c)	<p style="text-align: center;">Statement of Financial Position at 30 September 2018</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></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;">Book value</th> <th style="width: 20%;"></th> </tr> <tr> <td></td> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> <td></td> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Land and buildings</td> <td style="text-align: right;">140 000</td> <td style="text-align: right;">32 000</td> <td style="text-align: right;">108 000</td> <td style="text-align: right;">(1)of</td> </tr> <tr> <td>Motor vehicles</td> <td style="text-align: right;">42 000</td> <td style="text-align: right;">18 000</td> <td 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300</u>						8 850	(1)of	Non-current liability (1)					8% Bank loan			60 000	(1)	Current liabilities					Trade payables (45 200 – 6 800)		38 400		(1)	Bank overdraft (5 200 (1) – 6 800 (1))		1 600			Other payables		<u>1 200</u>		(1)				41 200		Total capital and liabilities			<u>210 050</u>		15
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