



Cambridge Assessment
International Education

Specimen Paper Answers

Paper 2

Cambridge IGCSE®

Accounting 0452

Cambridge O Level

Accounting 7707

For examination from 2020



In order to help us develop the highest quality resources, we are undertaking a continuous programme of review; not only to measure the success of our resources but also to highlight areas for improvement and to identify new development needs.

We invite you to complete our survey by visiting the website below. Your comments on the quality and relevance of our resources are very important to us.

www.surveymonkey.co.uk/r/GL6ZNPJB

Would you like to become a Cambridge consultant and help us develop support materials?

Please follow the link below to register your interest.

www.cambridgeinternational.org/cambridge-for/teachers/teacherconsultants/

©IGCSE is a registered trademark

Copyright © UCLES 2018

Cambridge Assessment International Education is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which itself is a department of the University of Cambridge.

UCLES retains the copyright on all its publications. Registered Centres are permitted to copy material from this booklet for their own internal use. However, we cannot give permission to Centres to photocopy any material that is acknowledged to a third party, even for internal use within a Centre.

Contents

Contents	3
Introduction	4
Assessment overview	5
Question 1	6
Question 2	11
Question 3	15
Question 4	19
Question 5	22

Introduction

The main aim of this booklet is to exemplify standards for those teaching Cambridge IGCSE Accounting 0452 and to show examples of very good answers.

This booklet contains answers to Specimen Paper 2 (2020), which has been marked by a Cambridge examiner. Each answer is accompanied by a brief commentary explaining its strengths and weaknesses. These examiner comments indicate where and why marks were awarded and how answers could be improved

The Specimen Paper and mark scheme are available to download from the School Support Hub www.cambridgeinternational.org/support.

2020 Specimen Paper 2

2020 Specimen Paper 2 Mark Scheme

Past exam resources and other teacher support materials are also available on the School Support Hub.

Assessment overview

All candidates take two papers.

All candidates take:

Paper 1 1 hour 15 minutes
 Multiple Choice 30%
 35 marks
 Multiple-choice questions
 Questions will be based on all syllabus content
 Externally assessed

and:

Paper 2 1 hour 45 minutes
 Structured Written Paper 70%
 100 marks
 Questions will be based on all syllabus content
 Externally assessed

Assessment objectives

The assessment objectives (AOs) are:

AO1 Knowledge and understanding

Candidates should be able to:

- demonstrate knowledge and understanding of facts, terms, principles, policies, procedures and techniques that are in the syllabus
- demonstrate understanding of knowledge through numeracy, literacy, presentation and interpretation and apply this knowledge and understanding in various accounting situations and problems.

AO2 Analysis

Candidates should be able to:

- select data which is relevant to identified needs of business
- order, analyse and present information in an appropriate accounting form.

AO3 Evaluation

Candidates should be able to:

- interpret and evaluate accounting information and draw reasoned conclusions.

Weighting for assessment objectives

The approximate weightings allocated to each of the assessment objectives (AOs) are summarised below.

Assessment objectives as a percentage of the qualification

Assessment objective	Weighting in IGCSE %
AO1 Knowledge and understanding	65
AO2 Analysis	25
AO3 Evaluation	10

Assessment objectives as a percentage of each component

Assessment objective	Weighting in components %	
	Paper 1	Paper 2
AO1 Knowledge and understanding	80	60
AO2 Analysis	20	25
AO3 Evaluation	0	15

Question 1

Shahid is a trader. He maintains a full set of accounting records including a three-column cash book.

On 1 August 2017 Shahid had the following balances in his cash book.

	\$
Cash	50
Bank overdraft	7150

Shahid's transactions for August 2017 included the following.

- August 9 A cheque received in July for \$362 from EN Supplies was dishonoured by the bank
- 18 Paid \$54 by cheque for fuel of private motor vehicle
- 24 Received a cheque from Mariam to settle her debt of \$520, less 2½% cash discount
- 27 Paid \$400 by cheque. This included \$365 for new office equipment and the balance was for repairs to existing office equipment.
- 30 Cash sales, \$3224
- 31 Paid all the remaining cash into the bank except \$100

REQUIRED

- (a) Complete Shahid's cash book on the page opposite.

Balance the cash book and bring down the balances on 1 September 2017.

Specimen answer (a)

Shahid
Cash Book

Date	Details	Discount allowed \$	Cash \$	Bank \$	Date	Details	Discount received \$	Cash \$	Bank \$
2017					2017				
Aug 1	Balance b/d		50		Aug 1	Balance c/d			7150
24	Mariam	13		507	9	Dishonoured chq.			362
30	Sales		3224		18	Shahid			54
31	Cash c			3174	27	Office Equipment			365
	Balance c/d			4285		Office Equipment repairs			35
						Bank c		3174	
					31	Balance c/d		100	
		13	3274	7966				3274	7966
Sept 1	Balance b/d		100		Sept 1	Balance b/d			4285

[11]

The following incomplete statement of account was available on 31 August 2017.

STATEMENT OF ACCOUNT				
Shahid				
44 Narrow Lane, Anytown				
Mariam The Avenue Weston				31 August 2017
Date	Reference	Debit \$	Credit \$	Balance \$
2017				
Aug 1	Balance due			520
9	Goods	340		860
13	Returns		24	?
24	Payment		507	?
	Discount		13	?

REQUIRED

- (b) State the business document and the book of prime entry Shahid would use to record the following transactions which appear on the statement of account.

Specimen answer (b)

Transaction	Document	Book of prime entry
August 9 Goods	<i>Sales invoice</i>	<i>Sales journal</i>
13 Returns	<i>Credit note issued</i>	<i>Sales returns journal</i>

[4]

(c) Prepare the account of Shahid as it would appear in the ledger of Mariam.

Balance the account and bring down the balance on 1 September 2017.

Specimen answer (c)

Mariam
Shahid account

Date	Details	\$	Date	Details	\$
2017			2017		
Aug 13	Purchases returns	24	Aug 1	Balance b/d	520
24	Cash book	507	9	Purchases	340
	Discount	13			
31	Balance c/d	316			
		860			860
			Sept 1	Balance b/d	316

[5]

[Total: 20]

Examiner comment

Question 1(a)

A very good answer. The wording in the details columns for the contra entry was correct, avoiding the common error of writing 'contra' as the name of the account where the double entry will be found. The wording for the transaction of 9 August was incorrect. The name of the account where the double entry would be made (EN Supplies) should be used. The transaction on 18 August also had incorrect details: the name of the account where the double entry would be made is drawings. The amount paid on 27 August was correctly split between the non-current asset account and the expense account. The cash book was balanced correctly and the balances brought down to the start of the next month. All entries were correctly dated.

Mark awarded = 9 out of 11

Question 1(b)

Both documents and both books of prime entry were correctly identified. Rather than just writing 'credit note' it is advisable to distinguish between a credit note issued and a credit note received. To make it absolutely clear that it is not a reference to a ledger account, it is advisable to write the full name of the book of prime entry.

Mark awarded = 4 out of 4

Question 1(c)

The account was prepared as it would appear in Mariam's books with the details for the goods and the returns correctly shown as 'purchases' and 'purchases returns'. The details at the start of the question indicated that the payment made on 24 August was by cheque, so the word "bank" should have been used rather than "cash book". Following the instructions the account was balanced and the balance brought down to start the following month. All entries were correctly dated.

Mark awarded = 4 out of 5

Total mark awarded = 17 out of 20

Question 2

Yasmin opened a garment factory on 1 May 2016.

She provided the following information.

	\$
On 1 May 2016	
Cost of factory machinery	35 000
Cost of office furniture and equipment	8 500
Cost of tools	1 000
For the year ended 30 April 2017	
Revenue	113 640
Purchases of raw materials	30 100
Purchases of finished goods	15 700
Wages and salaries	
Factory operatives	31 500
Factory supervisors	11 860
Office and sales staff	32 200
General expenses	
Factory	3 240
Office	1 950
Rates	
Factory	4 500
Office	1 500
At 30 April 2017	
Inventory	
Raw materials	3 150
Work in progress	2 820
Finished goods	6 800
Value of tools	830
Wages accrued	
Factory operatives	800
Office and sales staff	950

Additional information

- 1 No additional non-current assets were purchased during the year.
- 2 The factory machinery is to be depreciated at 20% per annum on cost.
- 3 The office furniture and equipment is to be depreciated at 15% per annum on cost.
- 4 The tools are to be revalued at the end of each financial year.

REQUIRED

- (a) Prepare the manufacturing account for the year ended 30 April 2017.

Specimen answer (a)

Yasmin
Manufacturing Account for the year ended 30 April 2017

	\$	\$
<i>Cost of materials consumed</i>		
<i>Purchases of raw materials</i>		30 100
<i>Less closing inventory of raw materials</i>		3 150
		26 950
<i>Direct factory wages</i>		32 300
		59 250
<i>Factory overheads</i>		
<i>Indirect factory wages</i>	11 860	
<i>General factory expenses</i>	3 240	
<i>Factory rates</i>	4 500	
<i>Depreciation:</i>		
<i>factory machinery (20% x 35 000)</i>	7 000	
<i>tools (1 000 - 830)</i>	170	26 770
		86 020
<i>Less closing inventory of work in progress</i>		2 820
<i>COP</i>		83 200

[10]

Yasmin is hoping to decrease her cost of production in the future. She thinks that if she spends a further \$25 000 on factory machinery she will be able to reduce the costs of direct labour by one third.

REQUIRED**Specimen answer (b)**

- (b) Advise Yasmin whether or not she should buy the extra factory machinery. Justify your answer with **two** advantages and **two** disadvantages of your advice.

The direct labour cost will reduce by \$10 767. The cost of production will decrease so the profit will increase (providing selling price is kept the same).

The machinery costs \$25 000. Yasmin may have to borrow this money and if she does this she will have to pay interest. Some factory workers may have to be made redundant which may involve redundancy payments having to be made.

[5]

Specimen answer (c)

- (c) (i) Calculate the cost of sales for the year ended 30 April 2017.

<i>Cost of production</i>	\$ 83 200	
<i>Purchases of finished goods</i>	<u>15 700</u>	
	98 900	
<i>Closing inventory of finished goods</i>	<u>6 800</u>	
<i>Cost of sales</i>	<u>92 100</u>	[3]

- (ii) Calculate the gross profit for the year ended 30 April 2017.

<i>Revenue</i>	\$ 113 640	
<i>Less Cost of sales</i>	<u>92 100</u>	
<i>Gross profit</i>	<u>21 540</u>	[1]

Specimen answer (d)

- (d) Suggest one way in which Yasmin could increase the percentage of gross profit to revenue.

Increase the selling price.

[1]

[20]

Examiner comment

Question 2(a)

The manufacturing account was presented in an acceptable format, correctly including only items relating to the factory and omitting items relating to the office. The prime cost was correctly calculated by adding the direct factory wages (correctly adjusted for the year-end accrual) to the cost of materials. In addition to providing the figure for the prime cost it is expected that this will be labelled. The factory overheads were correctly listed and the total then added to the prime cost. The candidate avoided the common error of deducting the overheads from the prime cost. The cost of production was obtained by adjusting the prime cost plus overheads for the work in progress. The total figure should have been labelled as 'cost of production' and not abbreviated to 'COP'. Alternative terms such as 'factory cost of goods produced' would have been equally acceptable. The figure for direct wages was correctly calculated, but it is always advisable to show the calculations for items where an adjustment is required.

Mark awarded = 8 out of 10

Question 2(b)

This question required candidates to give advice. Where questions include the phrase 'whether or not' it is important that candidates consider both the advantages and the disadvantages of the proposal and make a recommendation. In this case, the question assisted candidates by stating how many advantages and disadvantages should be considered. The answer was very good and fulfilled the requirements by giving two advantages and two disadvantages, but did not provide a recommendation.

Mark awarded = 4 out of 5

Question 2(c)(i)

The cost of sales was correctly calculated starting with the cost of production from the manufacturing account in part (a). In this type of question, which requires a calculation, any form of presentation is acceptable. Because only a calculation is required it is not necessary to label the figures, but it is advisable to do so.

Mark awarded = 3 out of 3

Question 2(c)(ii)

Using the cost of sales calculated in part (c)(i) the gross profit was correctly calculated. As with part (c)(i) any form of presentation is acceptable and labels are not required (but are advisable).

Mark awarded = 1 out of 1

Question 2(d)

One way of increasing the percentage of gross profit to revenue was correctly stated. There was only one mark for this section so it was not necessary to provide an explanation or development of the answer.

Mark awarded = 1 out of 1

Total mark awarded = 17 out of 20

Question 3

Amla is a trader. Her financial year ends on 31 December.

Amla maintains one combined account for rates and insurance.

On 1 January 2016 three months' rates, \$480, was outstanding and four months' insurance, totalling \$700, was prepaid.

During the year ended 31 December 2016 the following payments were made by cheque.

	\$
Rates 16 months to 31 January 2017	2560
Insurance 12 months to 30 April 2017	2400

REQUIRED

- (a) Prepare the rates and insurance account in the ledger of Amla for the year ended 31 December 2016. Balance the account and bring down the balances on 1 January 2017.

Specimen answer (a)

Amla
Rates and insurance account

Date	Details	\$	Date	Details	\$
2016			2016		
Jan 1	Balance <i>b/d</i>	700	Jan 1	Balance <i>b/d</i>	2400
Dec 31	Cheque (rates.)	2560	Dec 31	Income statement	
	Cheque (ins.)	2400		rates 1920	
				insurance <u>2300</u>	4220
				Balance <i>c/d</i>	
				rates 160	
				insurance <u>800</u>	960
		5660			5660
Jan 1	Balance <i>b/d</i>	960			

[9]

- (b) Identify the section of the statement of financial position at 31 December 2016 in which the balance on the rates and insurance account would appear.

Give a reason for your answer.

Specimen answer (b)

Section of statement of financial position Current assets

Reason At the end of the financial year Amla has prepaid both the rates and the insurance.

[2]

On 1 October 2016 Amla decided to sublet part of her premises at an annual rent of \$4800. On that date she received a cheque for two months' rent.

REQUIRED

- (c) Prepare the rent receivable account in the ledger of Amla for the year ended 31 December 2016. Balance the account and bring down the balance on 1 January 2017.

Specimen answer (c)

Amla
Rent receivable account

Date	Details	\$	Date	Details	\$
<i>2016</i>			<i>2016</i>		
<i>Dec 31</i>	<i>Income statement</i>	<i>1200</i>	<i>Oct 1</i>	<i>Bank</i>	<i>800</i>
			<i>Dec 31</i>	<i>Balance c/d</i>	<i>400</i>
		<i>1200</i>			<i>1200</i>
<i>2017</i>					
<i>Jan 1</i>	<i>Balance b/d</i>	<i>400</i>			

[4]

- (d) Identify the section of the statement of financial position at 31 December 2016 in which the balance on the rent receivable account would appear.

Give a reason for your answer.

Specimen answer (d)

Section of statement of financial position Current assets

Reason The tenant owes one month's rent.

[2]

Amla has been given the opportunity to pay her rates monthly by direct debit.

REQUIRED

Specimen answer (e)

- (e) Advise Amla whether or not she should start paying her rates in this way. Support your answer with **one** advantage and **one** disadvantage.

The bank would pay the amount automatically each month, so Amla would not have to remember to write out and post cheques.

The bank would pay the amount on the set dates even if this resulted in an overdraft. Amla could possibly avoid this if she paid by cheque on dates to suit her.

[3]

[Total: 20]

Examiner comment

Question 3(a)

A combined rates and insurance account was required. It is necessary to take great care when preparing an account containing two different expenses as the account can have two opening and two closing balances. Instead of using the word 'cheque', the word 'bank' should have been used for the two payments (the name of the other account). In addition to writing the word 'Balance', 'Bank' and 'Income statement' it is often helpful to identify the particular expense to which these relate. Having inserted the opening balances and the amounts paid it was then possible to calculate the expenses for the year and the closing balances. Four months' insurance was prepaid at the start of the year and twelve months' insurance was paid during the year. This means that there was a closing prepayment of four months' insurance (\$800) and the expense for the year was the four months prepaid last year (\$700) plus the eight months' payment for this year (\$1600) making a total of \$2300. A similar calculation was required for the rates. Following the instructions the account was balanced and the balance brought down to start the following month. All items were correctly dated apart from the balance brought down which should have had the year inserted above the month.

Mark awarded = 6 out of 9

Question 3(b)

The section of the statement of financial position in which the balance on the rates and insurance account would appear was correctly identified. An acceptable reason was provided.

Mark awarded = 2 out of 2

Question 3(c)

A wholly correct rent receivable account was prepared. The common error on this type of question of reversing the entries and treating the account as an expense account was avoided. All the entries were correctly made and the account was balanced and the balance brought down to start the following month. At the end of Amla's financial year the tenant owed one month's rent so that meant that there would be a balance brought down on the debit side to start the following financial year. The transfer to the income statement represented the rent relating to the financial year ended on 31 December 2016 which was \$1200.

Mark awarded = 4 out of 4

Question 3(d)

The section of the statement of financial position in which the balance on the rent receivable account would appear was correctly identified. An acceptable reason was provided.

Mark awarded = 2 out of 2

Question 3(e)

This question required candidates to give advice. The question assisted candidates by stating that one advantage and one disadvantage were required. Where advice is required candidates are expected to make a recommendation. The answer provided an acceptable advantage and an acceptable disadvantage but did not provide a recommendation.

Mark awarded = 2 out of 3

Total mark awarded = 16 out of 20

Question 4

Wasim is a trader. His financial year ends on 31 March.

The totals of his trial balance on 31 March 2017 did not agree. The difference was a shortage on the debit side of \$495. This was entered in a suspense account.

The following errors were later discovered.

- 1 The total of a page of the purchases account, \$3842, had been carried forward as \$3824.
- 2 A cheque received from DEC Limited, \$150, had been credited to the account of DDE Limited.
- 3 The balance of the petty cash book, \$100, had been omitted from the trial balance.
- 4 Repairs to a motor vehicle, \$283, had been debited to the motor vehicles account.
- 5 Purchase of fixtures, \$2000, on credit from OS Supplies had been debited to OS Supplies and credited to fixtures account.
- 6 The total of the discount allowed column in the cash book, \$250, had been credited to the discount received account in the ledger.
- 7 The total of the analysis column for stationery in the petty cash book, \$67, had not been transferred to the stationery account in the ledger.

REQUIRED

- (a) Prepare the suspense account. Start with the balance arising from the difference on the trial balance. The account should be balanced or totalled as necessary.

Specimen answer (a)

Wasim
Suspense account

Date	Details	\$	Date	Details	\$
2017			2017		
Mar 31	Difference. on trial balance	495	Mar 31	Purchases	18
	Balance c/d	90		Discount allowed	250
				Discount received	250
				Stationery	67
		585			585
			2017		
			April 1	Balance b/d	90

[7]

- (b) Prepare journal entries to correct **two** of the errors which do **not** require correcting by means of the suspense account. Narratives **are** required.

Specimen answer (b)

Wasim
Journal

Error number	Details	Debit \$	Credit \$
2	<i>DDE Limited</i>	150	
	<i>DEC Limited</i>		150
	<i>Correction of error. The account of DDE</i>		
	<i>was wrongly credited</i>		
4	<i>Motor vehicle expenses</i>	283	
	<i>Motor vehicles</i>		283
	<i>An entry to debit motor expenses and</i>		
	<i>credit motors</i>		

[6]

Specimen answer (c)

- (c) Identify the type of error made in **Error 2**.

Error of commission

[1]

Wasim prepared draft financial statements for the year.

REQUIRED

- (d) Complete the following table by placing a tick (✓) in the correct column to indicate whether the profit for the year would be affected by each of the errors. Ignore depreciation of non-current assets.

The first one has been completed as an example.

Specimen answer (d)

error number	affects the profit for the year	does not affect the profit for the year
1	✓	
2		✓
3		✓
4	✓	
5		✓
6	✓	
7	✓	

[6]

[Total: 20]

Examiner comment

Question 4(a)

There was only one error in the suspense account which was to omit the correcting entry for error 3. It is not necessary to make an entry in the petty cash book if the balance has been omitted from the trial balance, but it will affect the suspense account. As the error affected the balancing of the trial balance it must be corrected by an entry in the suspense account. The closing balance brought down on the account was awarded the available mark using the 'own figure' rule.

Mark awarded = 6 out of 7

Question 4(b)

The answer provided two journal entries in the correct format. The only error was to provide an unacceptable narrative for the second journal entry. The narrative simply states the entries which have been made: the narrative should be a brief explanation of why the entry was required. The candidate elected to do correcting entries for errors 2 and 4: it would also have been acceptable to provide a correcting journal entry for error 5.

Mark awarded = 5 out of 6

Question 4(c)

Error of commission was correctly identified as the type of error in error 2.

Mark awarded = 1 out of 1

Question 4(d)

An excellent answer.

Mark awarded = 6 out of 6

Total mark awarded = 18 out of 20

Question 5

K Limited provided the following information.

- 1 Its issued ordinary share capital consists of 180 000 ordinary shares of \$0.50 each.
- 2 On 1 October 2016:

	\$
General reserve	4000
Retained earnings	5500
- 3 The profit for the year ended 30 September 2017 was \$9000.
\$2000 of this was transferred to the general reserve.
An interim dividend of \$4500 was paid during the year.
No dividends were proposed at the end of the year.

REQUIRED

- (a) Prepare the statement of changes in equity for the year ended 30 September 2017.

Specimen answer (a)

K Limited
Statement of Changes in Equity for the year ended 30 September 2017

Details	Share capital \$	General reserve \$	Retained earnings \$	Total \$
On 1 October 2016	90 000	4 000	5 500	99 500
<i>Profit for the year</i>			9 000	9 000
<i>Transfer to general reserve</i>		2 000	(2 000)	
<i>Interim dividend paid</i>			(4 500)	(4 500)
On 30 September 2017	90 000	6 000	8 000	104 000

[5]

K Limited provided the following information at 30 September 2017.

	\$
Non-current assets at book value	102 200
Bank overdraft	6 100
Inventory	5 100
Trade receivables	8 500
Trade payables	4 300
Other payables	1 400

REQUIRED

(b) Complete the following table.

Specimen answer (b)

current ratio		answer to two decimal places
workings		
current assets	<u>(5100 + 8500)</u>	
current liabilities	(6100 + 4300 + 1400)	
	= <u>13 600</u>	
	11 800	1.15: 1

liquid (acid test) ratio		answer to two decimal places
workings		
current assets excluding inventory	<u>8 500</u>	
current liabilities	11 800	0.72 times

return on capital employed (ROCE)		answer to two decimal places
workings		
Profit	<u>9 000</u>	
Capital employed	(90 000 + 6000 + 8000)	
	= $\frac{9\,000}{104\,000} \times \frac{100}{1}$	\$8.65

[6]

The directors of K Limited wish to improve the liquidity and profitability of the business. The finance director has suggested that the business should reduce the amount of inventory by 50%.

REQUIRED

Specimen answer (c)

- (c) Advise the directors whether or not they should reduce the amount of inventory. Justify your answer.

Reducing inventory would mean less money tied up in inventory. This may help reduce the bank overdraft. But having a lower inventory may mean that goods are not available when needed so that sales and profits may reduce as customers may go elsewhere.

I think it may be better to concentrate on reducing the trade receivables and the bank overdraft rather than reducing the inventory by such a large percentage.

[5]

K Limited allows its credit customers a period of 60 days to pay their accounts. For the year ended 30 September 2017 the trade receivables turnover was 69 days.

REQUIRED

Specimen answer (d)

- (d) State whether K Limited would be satisfied with the trade receivables turnover.

K Limited would not be satisfied

[1]

K Limited is allowed 30 days in which to pay its accounts to its credit suppliers. For the year ended 30 September 2017 its trade payables turnover was 52 days.

REQUIRED

Specimen answer (e)

- (e) Discuss how the trade payables turnover of 52 days may affect K Limited.

K Limited is taking 22 days more than is allowed by the suppliers.

This may damage the relationship with the suppliers, who may start refusing further supplies.

[3]

[Total: 20]

Examiner comment

Question 5(a)

An excellent answer.

Mark awarded = 5 out of 5

Question 5(b)

The elements for the calculation of the current ratio and the liquid (acid test) ratio were correctly selected from the data and were used correctly. An elementary error in writing the answer for the second ratio meant that a mark was forfeited. The answer should have been expressed as a ratio rather than a number of times. The profit for the year was obtained from data at the start of the question and the capital employed was obtained from the statement of changes in equity completed in part (a). Once again an elementary error resulted in a mark being forfeited. The answer to this should be expressed as a percentage rather than an amount of money. All calculations were shown very clearly.

Mark awarded = 4 out of 6

Question 5(c)

A good answer. Several valid points were mentioned, covering both advantages and disadvantages of the proposal. The candidate also made a recommendation on what they believed was the best course of action.

Mark awarded = 5 out of 5

Question 5(d)

A correct response. There was only one mark available so only a basic statement was required. It was not necessary to also provide an explanation.

Mark awarded = 1 out of 1

Question 5(e)

Only two marks could be awarded as only two valid points were made. There are several other ways in which the delay in making payment would affect K Limited.

Mark awarded = 2 out of 3

Total mark awarded = 17 out of 20

Cambridge Assessment International Education
The Triangle Building, Shaftesbury Road, Cambridge, CB2 8EA, United Kingdom
t: +44 1223 553554
e: info@cambridgeinternational.org www.cambridgeinternational.org

© IGCSE is a registered trademark.
Copyright © UCLES March 2018