

**CAMBRIDGE INTERNATIONAL EXAMINATIONS**

Cambridge International General Certificate of Secondary Education

**MARK SCHEME for the October/November 2015 series**

**0452 ACCOUNTING**

**0452/11**

Paper 1, maximum raw mark 120

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**1 (a) B**

**(b) A**

**(c) D**

**(d) D**

**(e) B**

**(f) A**

**(g) C**

**(h) B**

**(i) A**

**(j) C**

**(1) each**

**[10]**

|               |  |                 |              |
|---------------|--|-----------------|--------------|
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2 (a) The book where transactions (and other entries) are first recorded. (1) [1]

(b) Cash book/petty cash book/sales journal/sales returns journal/purchases journal/purchases returns journal/general journal/returns inwards and returns outwards journals

Any two for (1) mark each [2]

(c)

|  | asset | liability | expense |
|--|-------|-----------|---------|
| fixtures and fittings                    | ✓     |           |         |
| insurance                                |       |           | ✓       |
| bank overdraft                           |       | ✓         |         |
| cash                                     | ✓     |           |         |
| trade payable                            |       | ✓         |         |
| wages                                    |       |           | ✓       |
| accrued electricity                      |       | ✓         |         |
| Increase in provision for doubtful debts |       |           | ✓       |
| Unpaid commission receivable             | ✓     |           |         |

(1) Mark for every two correct [4]

(d) Statement of financial position (1) [1]

Income statement (1) [1]

(e)

|   | Debit entry                                       |       |     | Credit entry           |       |     |
|---|---|-------|-----|------------------------|-------|-----|
|   |   | \$    |     |                        | \$    |     |
| 1 | <i>Bank account</i>                               | 8 000 |     | <i>Capital account</i> | 8 000 |     |
| 2 | Bank account                                      | 2 000 | (1) | Loan account           | 2 000 | (1) |
| 3 | (Delivery) Van account/<br>Motor vehicles account | 5 200 | (1) | A1 Motors<br>account   | 5 200 | (1) |
| 4 | Purchases account                                 | 3 700 | (1) | Bank account           | 3 700 | (1) |
| 5 | Rent account                                      | 1 000 | (1) | Bank account           | 1 000 | (1) |
| 6 | Petty cash/Cash                                   | 100   | (1) | Bank account           | 100   | (1) |

[10]

(f)

|              |                |       |
|--------------|----------------|-------|
| \$           | \$             |       |
| 8 000        |                |       |
| <u>2 000</u> | 10 000         | (1)   |
| 3 700        |                |       |
| 1 000        |                |       |
| <u>100</u>   | <u>(4 800)</u> | (1)   |
|              | <u>5 200</u>   | (1)of |

[3]

[Total: 22]

|               |  |                 |              |
|---------------|--|-----------------|--------------|
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3 (a) Raw materials (1) work in progress (1) finished goods/purchased finished goods (1) [3]

(b) Lower of cost and net realisable value (1) [1]

(c)

|                 |                  |
|-----------------|------------------|
| Account debited | Account credited |
| Drawings (1)    | Purchases (1)    |

[2]

(d) Business entity (1) [1]

(e) To check for errors and omissions in his books of account

To check the errors in the bank statement

To identify stale cheques

To identify unpresented cheques

To identify amounts not credited

To calculate the correct bank balance in his cash book

To verify the balance in his cash book

To correct/amend his cash book

Any one for (1) mark [1]

(f) A copy of the customer's account as it appears in the books of the bank (1) [1]

(g) An item in the cash book not in the bank statement

Unpresented cheque/uncredited deposit/book-keeper error

Any one for (1) mark

An item in the bank statement not in the cash book.

Bank charges/bank interest/dishonoured cheque/standing order/credit transfer/direct debit/bank error/dishonoured cheque

Any one for (1) mark [2]

[Total: 11]

|               |  |                 |              |
|---------------|--|-----------------|--------------|
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- 4 (a) An estimate (1) of the amount which will be lost (1) when debts go bad (1) which reduces the value of trade receivables (1)  
Max 2 [2]

(b)

|          |                  | Samuel<br>Provision for doubtful debts account |       |               |             |            |
|----------|------------------|--|-------|---------------|-------------|------------|
| 2015     |                  | \$   |       | 2014          | \$          |            |
| 30 April | Income statement | 70   | (1of) | 1 May         | Balance b/d | 450 (1)    |
|          | Balance c/d      | <u>380</u>                                     | (1)   |               |             | —          |
|          |                  | <u>450</u>                                     |       |               |             | <u>450</u> |
|          |                  |  |       | 2015<br>1 May | Balance b/d | 380 (1of)  |

**+(1) for dates**

[5]

- (c) Below/after gross profit/after trading account/(on credit side) as other income.  
Profit and loss section/(debit side) as an expense [1of]

- (d) Accruals/matching (1)  
Prudence (1) [2]

- (e) Trade receivables (1)  
Capital/profit (1) [2]

[Total: 12]

5 (a)

|   |               |              |
|---|---------------|--------------|
|   | \$            |              |
| Trade receivables                       | 700           | }            |
| Trade payables                          | (400)         | }(1)         |
| Inventory                               | 1 100         | (1)          |
| Equipment at cost                       | 15 700        | }            |
| Provision for depreciation of equipment | (4 100)       | }(1)         |
| Prepaid rent                            | 250           | (1)          |
| Bank                                    | 2 100         | (1)          |
| Capital                                 | <u>15 350</u> | <u>(1of)</u> |

[6]

(b)

|                                 |             |               |       |        |             |               |     |
|---------------------------------|-------------|---------------|-------|--------|-------------|---------------|-----|
| Nzita                           |             |               |       |        |             |               |     |
| Total trade receivables account |             |               |       |        |             |               |     |
| 2014                            |             | \$            |       | 2015   | \$          |               |     |
| Feb 1                           | Balance b/d | 700           | (1)   | Jan 31 | Bank/Cash   | 28 900        | (1) |
| 2015                            |             |               |       |        | Balance c/d | 900           |     |
| Jan 31                          | Sales       | <u>29 100</u> | (1of) |        |             | <u>29 800</u> |     |
|                                 |             | 29 800        |       |        |             | 29 800        |     |
| 2015                            |             |               |       |        |             |               |     |
| Feb 1                           | Balance b/d | 900           | (1of) |        |             |               |     |

|                              |             |               |       |        |             |               |       |
|------------------------------|-------------|---------------|-------|--------|-------------|---------------|-------|
| Nzita                        |             |               |       |        |             |               |       |
| Total trade payables account |             |               |       |        |             |               |       |
| 2015                         |             | \$            |       | 2014   | \$          |               |       |
| Jan 31                       | Bank/Cash   | 12 600        | (1)   | Feb 1  | Balance b/d | 400           | (1)   |
|                              | Balance c/d | 650           |       | 2015   |             |               |       |
|                              |             | <u>13 250</u> |       | Jan 31 | Purchases   | <u>12 850</u> | (1of) |
|                              |             | 13 250        |       |        |             | 13 250        |       |
| 2015                         |             |               |       | 2015   |             |               |       |
| Feb 1                        | Balance b/d | 650           | (1of) | Feb 1  | Balance b/d | 650           | (1of) |

[8]

(c)

Nzita  
Income Statement for the year ended 31 January 2015

|  | \$                        | \$                 |
|--|---------------------------|--------------------|
| Sales/Revenue                                  |                           | 29 100 (1of)       |
| Inventory 1 Feb 2014                           | 1 100                     |                    |
| Purchases                                      | <u>12 850</u> (1of)       |                    |
|  | 13 950                    |                    |
| Inventory 31 January 2015                      | <u>1 400</u> (1 for both) |                    |
| Cost of sales                                  |                           | <u>12 550</u>      |
| Gross profit                                   |                           | 16 550 (1of)       |
| Rent      3100 (1) + (250–150) (1)             | 3 200                     |                    |
| Wages  | 5 200                     |                    |
| Sundry expenses                                | 2 650                     |                    |
| Depreciation of equipment                      | <u>1 680</u> (1)          |                    |
|  |                           | <u>12 730</u>      |
| Profit for the year<br>+ 1 for IAS terminology |                           | <u>3 820</u> (1of) |

[9]

(d)

Nzita  
Statement of Financial Position (extract) at 31 January 2015

|                            | \$                  |  |
|----------------------------|---------------------|--|
| Capital at 1 Feb 2014      | 15 350 (1of)        |  |
| Profit for the year        | <u>3 820</u> (1of)  |  |
|                            | 19 170              |  |
| Drawings                   | <u>6 600</u> (1)    |  |
| Capital at 31 January 2015 | <u>12 570</u> (1of) |  |

[4]



|               |  |                 |              |
|---------------|--|-----------------|--------------|
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(e)  $16\,550/29\,100$  (1of)  $\times 100 = 56.87\%$  (1of) [2]

- (f) Lower selling prices  
Introduction of trade discount  
Sales promotions  
Higher purchases prices not passed on to customers  
Change in mix of goods sold  
Higher cost of sales

Any two (1of) each [2]

[Total: 31]

|                |  |                 |              |
|----------------|--|-----------------|--------------|
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- 6 (a) Capital (1)  
 Revenue (1)  
 Current (1)  
 Non-current (1)  
 Understated (1)  
 Overstated (1) [6]

(b)

|             |                         |
|-------------|-------------------------|
| Error 2 (1) | Error of commission (1) |
| Error 4 (1) | Error of principle (1)  |

[4]

(c)

| Error |  | Debit<br>\$      | Credit<br>\$ |
|-------|--|------------------|--------------|
| 1     | Discount allowed<br>Discount received<br>Suspense<br>Correction of misposting of discounts (1)         | 30 (1)<br>30 (1) | 60 (1)       |
| 2     | Joanie<br>Yolanda<br>Correction of misposting of receipt of cash (1)                                   | 85 (1)           | 85 (1)       |
| 3     | Sales returns<br>Suspense<br>Correction of misposting of sales returns journal total (1)               | 10 (1)           | 10 (1)       |
| 4     | Stationery<br>Office equipment<br>Correction of revenue expenditure treated as capital expenditure (1) | 150 (1)          | 150 (1)      |

[13]

(d) Leroy  
Suspense account

|         |             |           |       |         |                               |
|---------|-------------|-----------|-------|---------|-------------------------------|
| 2015    |             | \$        | 2015  |         | \$                            |
| Sept 30 | Balance b/d | 70        | (1of) | Sept 30 | Discount allowed and received |
|         |             |           |       |         | 60                            |
|         |             |           |       |         | (1of)                         |
|         |             |           |       |         | Sales returns                 |
|         |             |           |       |         | 10                            |
|         |             |           |       |         | (1of)                         |
|         |             | <u>70</u> |       |         | <u>70</u>                     |

[3]

(e)

|                  | No effect | Increase<br>\$ | Decrease<br>\$ | \$             |
|------------------|-----------|----------------|----------------|----------------|
| Draft profit     |           |                |                | 5 170          |
| Error 1          |           |                | 60             | (2)            |
| Error 2          | ✓         | (1)            |                |                |
| Error 3          |           |                | 10             | (2)            |
| Error 4          |           |                | 150            | (2)            |
| Corrected profit |           |                |                | 4 950<br>(1)OF |

Marks with figures: 1 for figure, 1 for direction

[8]

[Total: 34]