



ACCOUNTING

0452/12

Paper 12

March 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 March 2018 series for most Cambridge IGCSE[®], Cambridge International A and AS Level components and some Cambridge O Level components.

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.

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

Question	Answer	Marks												
2(a)	<table border="1"> <thead> <tr> <th>document</th> <th>name of person issuing document</th> </tr> </thead> <tbody> <tr> <td>invoice</td> <td><i>Kumar</i></td> </tr> <tr> <td>debit note</td> <td>Simran (1)</td> </tr> <tr> <td>credit note</td> <td>Kumar (1)</td> </tr> <tr> <td>Statement of account</td> <td>Kumar (1)</td> </tr> <tr> <td>cheque</td> <td>Simran (1)</td> </tr> </tbody> </table>	document	name of person issuing document	invoice	<i>Kumar</i>	debit note	Simran (1)	credit note	Kumar (1)	Statement of account	Kumar (1)	cheque	Simran (1)	4
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cheque	Simran (1)													
2(b)	Issued by the customer to request a reduction in an invoice.	1												
2(c)	Sales returns journal	1												

Question	Answer	Marks												
2(d)	Sales ledger	1												
2(e)	Trade discount	1												
2(f)	Recorded on the invoice to the customer or in sales journal No entry made in ledger	1												
2(g)(i)	Sales returns account	1												
2(g)(ii)	Individual debtor accounts	1												
2(h)	Money measurement (1)	1												
	An accounting transaction should only be recorded if it can be expressed in terms of money (1)	1												
2(i)	Capital (1) equals assets minus liabilities (1)	2												
2(j)	<table border="1" data-bbox="658 775 1619 976"> <thead> <tr> <th data-bbox="658 775 1084 825">item</th> <th data-bbox="1084 775 1352 825">increase</th> <th data-bbox="1352 775 1619 825">decrease</th> </tr> </thead> <tbody> <tr> <td data-bbox="658 825 1084 874">capital introduced</td> <td data-bbox="1084 825 1352 874">✓</td> <td data-bbox="1352 825 1619 874"></td> </tr> <tr> <td data-bbox="658 874 1084 924">drawings</td> <td data-bbox="1084 874 1352 924"></td> <td data-bbox="1352 874 1619 924">✓ (1)</td> </tr> <tr> <td data-bbox="658 924 1084 976">profit for the year</td> <td data-bbox="1084 924 1352 976">✓ (1)</td> <td data-bbox="1352 924 1619 976"></td> </tr> </tbody> </table>	item	increase	decrease	capital introduced	✓		drawings		✓ (1)	profit for the year	✓ (1)		2
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3(b)	The amount owed/not yet paid for electricity used in the financial year ended 31 January 2018 (1) OF	1																																																												
3(c)	Current liabilities (1) OF	1																																																												
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3(g)	It measures the excess of current assets over current liabilities /measures liquidity. It measures the margin of safety between current assets and current liabilities.	1																																																							
3(h)	$(6800 + 12\,500 + 1010) (1) / 15\,200 = 1.34:1 (1)$	2																																																							

Question	Answer	Marks
3(i)	different accounting policies different size of business different type of business different locations different capital structures different type of goods sold non-monetary items other reasonable answer Any two for (1) mark each	Max 2
3(j)	Introduce additional capital Sell surplus non-current assets Reduce cash drawings Obtain long-term loan 1 mark per suggestion, maximum 2	Max 2

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4(a)	<p style="text-align: center;">Meena Cash book (bank columns)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>2017 Dec 31</td> <td>Rohan (1) Balance c/d</td> <td>140 2424</td> <td>2017 Dec 31</td> <td>Balance b/d (1) Bank interest (1) Anjana (dishonoured cheque) (1)</td> <td>2450 20 94</td> </tr> <tr> <td></td> <td></td> <td>2564</td> <td>2018 Jan 1</td> <td>Balance b/d (1) OF</td> <td>2564 2424</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	2017 Dec 31	Rohan (1) Balance c/d	140 2424	2017 Dec 31	Balance b/d (1) Bank interest (1) Anjana (dishonoured cheque) (1)	2450 20 94			2564	2018 Jan 1	Balance b/d (1) OF	2564 2424	5
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4(b)	<p style="text-align: center;">Meena Bank Reconciliation Statement at 31 December 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td>Debit balance on bank statement *</td> <td></td> <td style="text-align: right;">(2623)</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Add:</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">amounts not yet credited: Cash sales</td> <td style="text-align: right;">362</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td style="padding-left: 20px;">Bank error</td> <td style="text-align: right; border-bottom: 1px solid black;">35</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">397</td> <td></td> </tr> <tr> <td>Less: cheques not yet presented</td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">(198)</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Adjusted cash book balance * (1) both labels</td> <td></td> <td style="text-align: right; border-bottom: 3px double black;">(2424)</td> <td style="text-align: right;">(1) OF</td> </tr> </table> <p>Alternative presentation</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td>Adjusted cash book balance *</td> <td></td> <td style="text-align: right;">(2424)</td> <td style="text-align: right;">(1) OF</td> </tr> <tr> <td>Add:</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">amounts not yet credited: Cash sales</td> <td style="text-align: right;">362</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td style="padding-left: 20px;">Bank error</td> <td style="text-align: right; border-bottom: 1px solid black;">35</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">397</td> <td></td> </tr> <tr> <td>Less: cheques not yet presented</td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">(198)</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Debit balance on bank statement *</td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">(2623)</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>(* 1 mark both labels)</td> <td></td> <td></td> <td></td> </tr> </table>		\$	\$		Debit balance on bank statement *		(2623)	(1)	Add:				amounts not yet credited: Cash sales	362		(1)	Bank error	35		(1)			397		Less: cheques not yet presented		(198)	(1)	Adjusted cash book balance * (1) both labels		(2424)	(1) OF		\$	\$		Adjusted cash book balance *		(2424)	(1) OF	Add:				amounts not yet credited: Cash sales	362		(1)	Bank error	35		(1)			397		Less: cheques not yet presented		(198)	(1)	Debit balance on bank statement *		(2623)	(1)	(* 1 mark both labels)				6
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Question	Answer	Marks								
4(d)	A cheque which has been returned unpaid by the bank	1								
	Reason Drawer has insufficient funds in the account Incomplete details on the cheque (e.g. missing date, signature) Cheque is out of date/stale Cheque may be post-dated Inconsistent details on the cheque (e.g. signature does not match that on file, amount in figures does not agree with amount in words) (1 mark for meaning, 1 mark for any valid reason up to 2 max)	2								
4(e)	At any time the amount paid out from the float (represented by vouchers/receipts) plus remaining cash (1) must equal the fixed amount of the float (1)	2								
4(f)	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">debit entry</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">credit entry</td> <td style="text-align: center;">\$</td> </tr> <tr> <td style="text-align: center;">petty cash (1)</td> <td style="text-align: center;">27</td> <td style="text-align: center;">bank/cash (1)</td> <td style="text-align: center;">27</td> </tr> </table> <p>+ 1 for amount</p>	debit entry	\$	credit entry	\$	petty cash (1)	27	bank/cash (1)	27	3
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Question	Answer	Marks
5(a)	To keep a separate record of capital introduced/be able to calculate interest on capital	1
	To allow easy comparison of drawings and total profit share/see if partner has overdrawn on profit allocation.	1
5(b)	The amount that Sumit owes the partnership.	1
5(c)	To discourage partners from taking drawings/to reduce the level of drawings	1

Question	Answer	Marks																																																																																
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6(b)	Error 3 commission	1																														
	Error 4 omission	1																														
	Error 5 principle	1																														
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