

CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

MARK SCHEME FOR the June 2002 question papers

0452 ACCOUNTING

| | |
|---------------|--|
| 0452/2 | Paper 2 (Structured Questions), maximum raw mark 90 |
| 0452/3 | Paper 3 (Structured Questions - Extended), maximum raw mark 100 |

These mark schemes are published as an aid to teachers and students, to indicate the requirements of the examination. They show the basis on which Examiners were initially instructed to award marks. They do not indicate the details of the discussions that took place at an Examiners' meeting before marking began. Any substantial changes to the mark scheme that arose from these discussions will be recorded in the published *Report on the Examination*.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes must be read in conjunction with the question papers and the *Report on the Examination*.

- CIE will *not* enter into discussions or correspondence in connection with these mark schemes.

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JUNE 2002

INTERNATIONAL GCSE

MARK SCHEME

0452/2 ACCOUNTING MARK SCHEME

SYLLABUS/COMPONENT : 0452/2

ACCOUNTING



| | | | |
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MARK SCHEME SHEET

Subject/Paper No: 0452/2

Month: JUNE

Year: 2002

| Question Number | Mark Scheme Details | Part Mark | | | |
|-----------------|--|----------------------------|--------------------------|----------------|----|
| 1 (a) | Cost of goods sold (or Cost of sales) | 1 | | | |
| (b) | P/L Account | 1 | | | |
| (c) | Error of: Commission Compensating | Omission Original entry | Principle Reversal | Any 2 x 1 | 2 |
| (d) | Goodwill | | | | 1 |
| (e) | 1. P/L Appropriation (1) | 2. P/L (1) | 3. P/L Appropriation (1) | | 3 |
| (f) | Prudence (accept conservatism) | | | | 1 |
| (g) | $\frac{200000}{\$ (26000 + 14000) \times 2}$ | (1) (1) (1) | = $\frac{200000}{20}$ | = 10 times (1) | 4 |
| (h) | Straight line (accept equal instalment) Reducing/diminishing balance Revaluation | | | Any 2 x 1 | 2 |
| (i) | Quick ratio is $\frac{C.A. - Stock}{C.L}$ | | | | 1 |
| | | | | | 16 |



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|-----------------|---|------------------------------|
| 2 (a) | (i) \$1000 (1) | 4 |
| | (ii) \$1500 (1) | |
| | (iii) \$ 300 (1) | |
| | (iv) \$1200 (1) | |
| (b) | 1. Sales Journal/Sales Day Book (1) | 2 |
| | 2. Purchases Journal/Purchases Day Book (1) | |
| (c) | \$ 125 (1) | 3 |
| | - 25 (1) CF | |
| | <u>100</u> (1) | |
| | <u>Agrotech</u> | |
| | \$ | \$ |
| | 17/4/00 Purchase returns 100 (1) | 6/4/00 Purchases PJ 1200 (1) |
| | 24/4/00 Bank 1067 (1) | |
| | Discount recd. 33 (2) | |
| | <u>1200</u> | <u>1200</u> |
| | + (1) for dates (all) | |
| | (Running balance format also acceptable). | |
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|-----------------|------------------------|-----------------|-------------------------|----------------|------------------|---------------|--------------|----------------|-----------|
| 3 | PETTY CASH BOOK | | | | | | | | |
| | RECEIPTS \$ | DATE | DETAILS | PAYMENTS \$ | STATIONERY \$ | POSTAGE \$ | TRAVEL \$ | CLEANING \$ | |
| | 100 | 2002 1 March | Balance b/d | | | | | | |
| | | 3 | Travelling exps. | 10(1) | | | 10(1) | | |
| | | 6 | Stationery | 12(1) | 12(1) | | | | |
| | | 10 | Postages | 5(1) | | 5(1) | | | |
| | | 14 | Cleaner's Wages | 20(1) | | | | 20(1) | |
| | | 17 | Envelopes | 3(1) | 3(1) | | | | |
| | | 22 | Bus fares | 6(1) | | | 6(1) | | |
| | | 25 | Postages | 4(1) | | 4(1) | | | |
| | | 28 | Cleaner's wages | 20(1) | | | | | 20(1) |
| | 80(1) | 31 March | Cash (1) Balance c/d | 80 100(1) | 15 | 9 | 16 | | 40 |
| 180 | | | 180 | | | | | | |
| 100(1) | 1 April | Balance b/d | | | | | | | |
| | | | | | | | | 20 | |



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|--|--|-----------------|----|----|--|--|----|----|--|---|---------|---------|--|---|---------|---------|--|--|--------|--------|--|----|
| 4(a) | Journal provides the only prime entry record for certain types of transaction, e.g. purchase/sale of fixed assets, error correction. Gives description/explanation also reduces risk of omission, error, fraud etc. | (1) (1) 2 | | | | | | | | | | | | | | | | | | | | |
| (b) | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: center;">DR</th> <th style="width: 10%; text-align: center;">CR</th> <th style="width: 20%;"></th> </tr> <tr> <td></td> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> <td></td> </tr> </thead> <tbody> <tr> <td>1. Motor vehicles Ace Motors Purchase of motor vehicle on credit from Ace motors for \$5000 (1)</td> <td style="text-align: center; vertical-align: bottom;">5000(1)</td> <td style="text-align: center; vertical-align: bottom;">5000(1)</td> <td></td> </tr> <tr> <td>2. Machinery repairs Machinery Machinery repairs \$1500 debited in error to Machinery Account, now corrected(1)</td> <td style="text-align: center; vertical-align: bottom;">1500(1)</td> <td style="text-align: center; vertical-align: bottom;">1500(1)</td> <td></td> </tr> <tr> <td>3. Bank Smith Cheque for \$300 from Smith credited to bank and debited to Smith's account in error, now corrected(1)</td> <td style="text-align: center; vertical-align: bottom;">600(2)</td> <td style="text-align: center; vertical-align: bottom;">600(2)</td> <td></td> </tr> </tbody> </table> | | DR | CR | | | \$ | \$ | | 1. Motor vehicles Ace Motors Purchase of motor vehicle on credit from Ace motors for \$5000 (1) | 5000(1) | 5000(1) | | 2. Machinery repairs Machinery Machinery repairs \$1500 debited in error to Machinery Account, now corrected(1) | 1500(1) | 1500(1) | | 3. Bank Smith Cheque for \$300 from Smith credited to bank and debited to Smith's account in error, now corrected(1) | 600(2) | 600(2) | | 11 |
| | DR | CR | | | | | | | | | | | | | | | | | | | | |
| | \$ | \$ | | | | | | | | | | | | | | | | | | | | |
| 1. Motor vehicles Ace Motors Purchase of motor vehicle on credit from Ace motors for \$5000 (1) | 5000(1) | 5000(1) | | | | | | | | | | | | | | | | | | | | |
| 2. Machinery repairs Machinery Machinery repairs \$1500 debited in error to Machinery Account, now corrected(1) | 1500(1) | 1500(1) | | | | | | | | | | | | | | | | | | | | |
| 3. Bank Smith Cheque for \$300 from Smith credited to bank and debited to Smith's account in error, now corrected(1) | 600(2) | 600(2) | | | | | | | | | | | | | | | | | | | | |
| (c) | (i) Error of principle | 1 | | | | | | | | | | | | | | | | | | | | |
| | (ii) Revenue expenditure (repairs) wrongly treated as Capital expenditure (principle error) (1) Need to correct, as affects: <u>P/L a/c</u> - expenses understated(1), N.P. overstated(1) <u>B/s</u> - F.A. (machinery) overstated(1) Thus final accounts would give unfair/inaccurate view of profit and assets(1) | 4 | | | | | | | | | | | | | | | | | | | | |
| | | 18 | | | | | | | | | | | | | | | | | | | | |



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|-----------------|---|---|--|---|
| 5(a) | <u>Jules</u> | <u>Jim</u> | | |
| (i) | G.P. $100 - 60 = \$40000$ (1) | $200 - 140 = \$60000$ (1) | | |
| (ii) | G.P./Sales $\frac{40}{100} \times 100 = 40\%$ (1) | $\frac{60}{200} \times 100 = 30\%$ (1) | | |
| (iii) | N.P. $40 - 20 = \$20000$ (1) | $60 - 30 = \$30000$ (1) | | |
| (iv) | N.P./Sales $\frac{20}{100} \times 100 = 20\%$ (1) | $\frac{30}{200} \times 100 = 15\%$ (1) | 8 | |
| (b) | Gross profit: | Jules' \$40000 is lower than Jim's \$60000 (1) Jules' GP ratio (40%) is better than Jim's (30%) (1) Jim had bigger turnover, Jules most successful (1) | | |
| | Net profit: | Jules' \$20000 is higher than Jim's \$15000 (1) Jules' NP ratio (20%) is better than Jim's (15%) (1) Jules controlled expenses better than Jim (1) | 6 | |
| (c) (i) | Current ratio: | <u>Jules</u> $\frac{20000(1)}{10000} = 2 : 1(1)$ | <u>Jim</u> $\frac{18000(1)}{24000} = 0.75 : 1(1)$ | 4 |
| (ii) | Jules appears to have the strongest position with a C.R. of 2 : 1(1) whilst Jim may be vulnerable at 0.75 : 1(1) + 1 for conclusion based on own figures | | 3 | |
| | | | 21 | |