

CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

MARK SCHEME FOR the November 2002 question papers

0452 ACCOUNTING

0452/02 Paper 2, maximum raw mark 90

0452/03 Paper 3, 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.

CIE is publishing the mark schemes for the October/November 2002 question papers for most IGCSE, GCE Advanced Subsidiary (AS) and GCE Advanced (A) Level syllabuses.

November 2002

INTERNATIONAL GCSE

MARK SCHEME

MAXIMUM MARK : 90

SYLLABUS/COMPONENT : 0452/02

ACCOUNTING



Question Number	Mark Scheme Details	Part Mark																		
1 (a)	Stock, debtors, prepayments, bank, cash	1																		
	Any 1 x 1 mark																			
(b)	Business entity	1																		
(c)	(i) Error of commission	1																		
	(ii) Debit note	1																		
	(iii) 1. Purchases Returns Journal	1																		
	2. Sales Returns Journal	1																		
(d)	Lower of cost or net realisable value	1																		
(e)	Profit and Loss Account	1																		
(f)	1. Capital (1)																			
	2. Capital (1)																			
	3. Revenue (1)	3																		
(g)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td>Balance 1/10/01</td> <td style="text-align: right;">2000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>+ Paid in year</td> <td style="text-align: right;"><u>10000</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right;">12000</td> <td></td> </tr> <tr> <td>- Prepaid, $\frac{1}{4} \times 10000$</td> <td style="text-align: right;"><u>2500</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>P/L A/c charge</td> <td style="text-align: right;"><u>9500</u></td> <td style="text-align: right;">(1)</td> </tr> </table>		\$		Balance 1/10/01	2000	(1)	+ Paid in year	<u>10000</u>	(1)		12000		- Prepaid, $\frac{1}{4} \times 10000$	<u>2500</u>	(1)	P/L A/c charge	<u>9500</u>	(1)	4
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(h)	Incorrect entries of equal amount (1) which cancel each other out (1). Marks may be given for suitable example	2																		
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Additional Information for 2 (a)

T.D	T.C																
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Page 3 of 5	Mark Scheme	Syllabus	Paper
	IGCSE Examinations - November 2002	0452	2

Question Number	Mark Scheme Details	Part Mark
3(a)	(i) \$86000 (1) (ii) \$20000 (1) (iii) Assets (1) (iv) Drawings (1) (v) \$5500 (1)	5
(b)	(i) Current ratio : $\frac{\$ 22000}{\$ 10000} (1) = 2.2 : 1 (1) \text{ CF}$	2
	(ii) Quick ratio : $\frac{\$ 22000 - 16000}{10000} (1) = 0.6 : 1 (1) \text{ CF}$	3
(c)	(i) $\$ 22000 - 10000 (1) = 12000 (1) \text{ CF}$	2
	(ii) If working capital inadequate, may result in: <ul style="list-style-type: none"> • Loss of discounts for prompt payment • Inability to pay creditors, wages, day-to-day expenses • Interruption of supplies and production, leading to loss of sales • Use of costly additional finance, e.g. overdraft Should include <u>two</u> of above or other acceptable and distinct points - 2 marks for each 2 x 2	4
		16

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4(a)	Agreed percentage (1) of asset's value at beginning of year w/off (1). Depreciation charges decrease (1) Any 2 from 3 available marks.	2																																																																																																																			
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