



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
International General Certificate of Secondary Education

CANDIDATE  
NAME

CENTRE  
NUMBER

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CANDIDATE  
NUMBER

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**ACCOUNTING**

**0452/02**

Paper 2

**May/June 2009**

**1 hour 30 minutes**

Candidates answer on the Question Paper.  
No Additional Materials are required.

**READ THESE INSTRUCTIONS FIRST**

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

You may use a soft pencil for any diagrams or graphs.

Do not use staples, paper clips, highlighters, glue or correction fluid.

**DO NOT WRITE IN ANY BARCODES.**

Answer **all** questions.

You may use a calculator.

Where layouts are to be completed, you may not need all the lines for your answer.

The businesses mentioned in this Question Paper are fictitious.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [ ] at the end of each question or part question.

For Examiner's Use	
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	
<b>5</b>	
<b>Total</b>	

This document consists of **13** printed pages and **3** blank pages.



- 1 (a) Name the accounting principle which states that sales are recognised when the ownership of goods sold and legal liability to pay passes to the customer.

..... [1]

- (b) In the table below, place a tick (✓) under the correct heading to show whether each item is an asset or a liability:

		Asset	Liability
(i)	Prepaid expense		
(ii)	Bank overdraft		
(iii)	Provision for depreciation		

[3]

- (c) In a bank reconciliation statement, explain what is meant by an unpresented cheque.

.....  
..... [2]

- (d) In the balance sheet, stock is valued at the **lower** of cost and

..... [1]

- (e) In which final account will sales returns be shown?

..... [1]

- (f) Working capital is calculated as follows:

..... less .....  
..... [2]

(g) (i) Give **one** example of an item of capital expenditure.

..... [1]

(ii) Give **one** example of an item of revenue expenditure.

..... [1]

(h) Amhari's business has sales for the year of \$75 000, and her cost of goods sold was \$52 500.

Calculate her percentage of gross profit to sales.

.....  
.....  
.....  
.....  
..... [3]

**[Total: 15]**

2 Philo is in business and keeps his petty cash on the imprest system with a balance of \$200.

On 31 March 2009 there was \$129.00 in the petty cash box and on 1 April 2009 Philo's cashier made a transfer from the business bank account to restore the imprest balance. All the petty cash vouchers for March related to expenses incurred in that month.

**REQUIRED**

(a) What were the total expenses paid from petty cash in the month of **March** 2009?

.....  
..... [1]

When the cash was counted on 30 April 2009, there was \$117.50 in the petty cash box and the following petty cash vouchers were found.

		\$	
April	5	Postage stamps	20.00
	10	Refreshments	17.00
	13	Menon – loan	100.00
	17	Flowers for office	21.00
	24	Stationery	14.50

Menon had repaid his loan in cash on 29 April.

**REQUIRED**

(b) What were the total expenses paid from petty cash in the month of **April** 2009?

.....  
..... [1]

(c) Calculate the amount of cash which **should** be in the petty cash box on 30 April.

.....  
.....  
.....  
..... [2]

(d) Suggest **two** reasons for the difference in the actual amount of cash in the petty cash box and the amount which should be there.

(i) .....

.....

(ii) .....

..... [2]

The petty cashier remembered a further petty cash payment of \$10.00 was made on 28 April for cleaning the office windows.

**REQUIRED**

(e) Advise Philo's petty cashier about the importance of keeping a record of business expenditure.

.....

.....

..... [2]

(f) Make the necessary entries for the month of April in the petty cash book as set out on the following page.

Balance the book and carry down the balance. Show the entry on 1 May to restore the imprest balance to the correct amount.



**Question 3 is on the next page.**

- 3 (a) Name the book of prime (original) entry used to record purchases.

..... [1]

Tom Charter received an invoice from the Office Supply Company.

**REQUIRED**

- (b) Complete the missing items (words or figures) (i) to (vi) shown on the invoice.

OFFICE SUPPLY COMPANY INVOICE			
Tom Charter	15 April 2009		
3 Mountain Close			
Tobermore			
Item	Quantity	Price per unit	Total
		\$	\$
Boxes of staples	20	7.50	<input type="text"/> (i)
Packets of envelopes	<input type="text"/> (ii)	14.00	<u>350.00</u>
			500.00
Less <input type="text"/>	(iii) discount @ 3%		<input type="text"/> (iv)
			—————
Net amount			<input type="text"/> (v)
			—————
Terms: 2½%	<input type="text"/> (vi)	discount for settlement within 14 days	

[6]

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Tom Charter's accounting records for the year ended 30 April 2009 showed the following.

	\$
Stock at 1 May 2008	7 600
Purchases for the year	92 100
Purchases returns for the year	2 300
Stock at 30 April 2009	9 200

For  
Examiner's  
Use

**REQUIRED**

(c) Calculate Tom Charter's cost of goods sold for the year.

.....

.....

.....

.....

.....

.....

.....

..... [4]

(d) Calculate Tom Charter's rate of stock turnover for the year.

.....

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.....

.....

..... [4]

(e) Give **one** example of **each** of the type of goods sold by a business with

(i) a **high** rate of stock turnover;

.....

.....

(ii) a **low** rate of stock turnover.

.....

..... [4]

**[Total: 19]**

4 Rupa made the following bank payments in the month of March 2009.

		\$	
March 6	Motor expenses – repairs	120	
12	Motor expenses – tyres	150	

The bill for repairs had been received in February and \$120 had been accrued in the motor expenses account at the end of that month.

Rupa received a bill for motor fuel for \$80 on 29 March but the bill was not paid until 7 April.

**REQUIRED**

(a) Prepare the motor expenses account in Rupa’s ledger for the month of March 2009. Show the amount transferred to the profit and loss account for the month and the balance brought down at 1 April.

Rupa  
Motor expenses account

.....

.....

.....

.....

.....

.....

.....

..... [7]

Mopsa has to pay \$400 rent on her shop each month.

She was not able to pay all the rent due in March 2009 and \$150 was outstanding on 1 April.

From 1 April, her landlord increased the rent to \$450 each month.

On 27 April Mopsa made a payment of rent to her landlord of \$500 in total.

**REQUIRED**

- (b) Prepare the rent account in Mopsa's ledger for the month of April 2009. Show the amount to be transferred to the profit and loss account for the month and the balance brought down at 1 May.

Mopsa  
Rent account

.....

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.....

.....

..... [7]

Andrea does not include any accrual in her electricity account for electricity used, and invoiced, but not paid for at the end of the month.

**REQUIRED**

- (c) Place a tick (✓) in **one** of the boxes below to show whether the amount shown for electricity in her profit and loss account for the month will be

understated	
overstated	

[2]

**[Total: 16]**

- 5 Gordon has prepared the following trial balance after calculating his net profit for the year ended 31 March 2009.

For  
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Gordon  
Trial balance at 31 March 2009

	\$	\$
Bank	700	
Bank loan repayable 2011		6 000
Capital at 1 April 2008		6 400
Creditors		2 100
Debtors	3 400	
Drawings	12 000	
Motor vehicles	4 000	
Net profit for the year		12 900
Plant and equipment	8 000	
Provision for depreciation		
Plant and equipment		1 600
Motor vehicles		1 000
Stock at 31 March 2009	<u>1 900</u>	
	<u>30 000</u>	<u>30 000</u>

**REQUIRED**

- (a) Prepare Gordon's capital account for the year ended 31 March 2009.

Gordon  
Capital account

.....

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.....

.....

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.....

.....

[4]



(c) From Gordon's balance sheet, calculate **each** of the following ratios to **two** decimal places. Show your workings.

(i) Current ratio

.....  
.....  
.....  
.....

(ii) Quick ratio

.....  
.....  
.....  
.....  
..... [6]

(d) Place a tick (✓) in **one** of the boxes below to show which of these two ratios Gordon should use to decide if he can afford to pay his creditors.

current ratio	
quick ratio	

[2]

**[Total: 20]**



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