

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
International General Certificate of Secondary Education

**MARK SCHEME for the May/June 2012 question paper  
for the guidance of teachers**

**0452 ACCOUNTING**

**0452/11**

Paper 1, maximum raw mark 120

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.

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1 Key

- (a) C [1]
- (b) D [1]
- (c) D [1]
- (d) A [1]
- (e) B [1]
- (f) B [1]
- (g) D [1]
- (h) C [1]
- (i) A [1]
- (j) A [1]

**[Total: 10]**

2 (a) Invoice [1]

(b) To show the financial position of a business on a certain date. [1]

(c)

	Asset	Liability
Inventory	✓(1)	
Rent receivable prepaid		✓(1)
Trade payables		✓(1)

[3]

(d) To calculate how much it has cost the business to manufacture the goods (1) produced in the financial year (1). [2]

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- (e) (i) Money measurement (1)
- (ii) Relevance (1) [2]

(f)  $(300 \times \$10.30) (1) = \$3090 - 4\% = \$3090 - \$123.60 = \$2966.40 (1)$  [2]

- (g) Land, buildings, machinery, equipment, fixtures, motor vehicles, goodwill  
**Any 2 (1) each** [2]

- (h) The business is treated as being completely separate from the owner. (1)  
 The accounting records relate only to the business, (1) [2]

(i)  $(200 \times \$100) (1) = \$20\,000 \times 3\% \times \frac{1}{2} = \$300 (1)$  [2]

(j) Payments	\$2100	
Less opening accrual	<u>350</u>	(1)
	1750	
Plus closing accrual	<u>470</u>	(1)
Charge for the year	<u>2220</u>	(1)

[3]

**[Total: 20]**

- 3 (a) To assist in the preparation of financial statements  
 To check for **arithmetical** accuracy/errors (must include arithmetical)  
**Any 1 reason (1)** [1]

(b)

Hans Lee  
Trial Balance at 30 April 2012

	Dr \$	Cr \$	
Revenue		110 000	
Purchases	65 000		
Inventory (1 May 2011)	11 500		(1)
Trade receivables	1 300		}
Trade payables		1 900	}(1)
Machinery	7 400		
Expenses	31 600		
Bank overdraft		3 100	(1)
Capital		11 500	}
Drawings	7 600		}(1)
<i>Suspense (1)</i>	2 100		(1) OF
	126 500	126 500	(1)

[7]

(c)

Hans Lee  
Journal

		Debit \$	Credit \$	
<b>1</b>	Purchases Suspense	1 600	1 600	(1) (1)
<b>2</b>	Suspense John Tan	300	300	(1) (1)
<b>3</b>	Drawings Suspense	200	200	(1) (1)

[6]

(d)

	Increase	Decrease	No effect
Error 1		✓(1)	
Error 2			✓(1)
Error 3			✓(1)

[3]

(e) All the errors have NOT YET been discovered. (1)

There is a balance remaining on the suspense account/Trial Balance. (1)

[2]

**[Total: 19]**

4 (a) To avoid recording small cash payments in the main cash book (2)

To reduce the number of entries in the main cash book (2)

**Any one reason (2)**

[2]

(b) The petty cashier starts each month with the same amount of money. (1)

At the end of the period the amount spent is reimbursed so the cash remaining is equal to the imprest amount. (1)

[2]

(c) Refer to next page

[12]

(d)

	Postages and stationery account			
2012	\$	2012	\$	
April 30 Petty cash	60 (1)	April 30 Petty cash	4 (1)	
	Motor expenses account			
2012	\$			
April 30 Petty cash	38 (1)			
	Catering supplies account			
2012	\$			
April 30 Petty cash	12 (1)			
	Cleaning account			
2012	\$			
April 30 Petty cash	70 (1)			

[5]

(e) \$24 (1) O/F from (c)

[1]

**[Total: 22]**

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**4 continued**

Theba – Petty Cash Book

Total Received	Date	Details	Total Paid	Postages and stationery	Motor expenses	Catering supplies	Cleaning
\$ 97 103 (1)	April 1	Balance b/d Bank	\$	\$	\$	\$	\$
4 (1)	4	Postage stamps	24	24 (1)			
	12	Stationery	36	36 (1)			
	17	Fuel	38		38 (1)		
	21	Stationery refund					
	24	Catering supplies	12			12 (1)	
	29	Cleaning	70				70 (1)
	30	Balance c/d	180 24	60	38	12	70
204	May 1	Balance b/d Bank/Cash	204				
24 (1) 176 (1) O/F							

**Totals of analysis columns (1);**

**Totals of total columns (1)**

**Dates (1)**

[12]

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- 5 (a) Additional finance  
 Additional knowledge and skills  
 Sharing of responsibilities  
 Sharing of risks  
 Discussions can take place before taking decisions  
**Any 2 (1) each** [2]

- (b) Profits have to be shared  
 Decisions have to be recognised by all partners/disagreements may arise  
 Decisions may take longer to put into effect  
 One partner's actions are binding on all partners  
 All partners are responsible for the debts of the business  
**Any 2 (1) each** [2]

(c) Raoul and Hassan  
 Journal

	Debit \$	Credit \$	
Bank	6000		(1)
Capital Raoul		6000	(1)
Inventory	4000		(1)
Capital Hassan		4000	(1)
Rent	600		(1)
Shop fittings	750		(1)
Bank ( or Cash Book )		1350	(2)

[8]

(d) Raoul and Hassan  
 Profit and Loss Appropriation Account for the year ended 31 March 2012

	\$	\$	\$	
Profit for the year			8800	(1)
Less Interest on capital – Raoul	180			(1)
Hassan	<u>120</u>	300		(1)
Partner's salary – Raoul		<u>3000</u>		(1)
			<u>3300</u>	
Profit shares – Raoul		2200		(2)(1) OF
Hassan		<u>3300</u>		(2)(1) OF
			<u>5500</u>	

[8]

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(e)

		Raoul Current account			
2012		\$	2012	\$	
Mar 31	Balance c/d	5380	Mar 31	Interest on cap	180 (1)O/F
				Salary	3000 (1)
				Profit share	<u>2200</u> (1)O/F
		<u>5380</u>			<u>5380</u>
			April 1	Balance b/d	5380 (1)O/F

[4]

- (f) Increase Raoul's salary  
 Allow commission on sales  
 Change the profit-sharing ratio  
**Any 1 (2)**

[2]

**[Total: 26]**

- 6 (a) (i) Current assets – current liabilities (1)  
 $(36\ 000 + 60\ 000) - (63\ 000 + 17\ 000) = 96\ 000 - 80\ 000$  (1)  
 $= \$16\ 000$  (1) OF [3]
- (ii) Current assets : current liabilities (1)  
 $96\ 000 : 80\ 000$  (1) = 1.2 : 1 (1) OF [3]
- (iii) Current assets – inventory : current liabilities (1)  
 $60\ 000 : 80\ 000$  (1) = 0.75 : 1 (1) OF [3]
- (b) (i) Cole Limited (1)  
 Cole Limited can pay the immediate liabilities from **the current assets** and/or Fanza Limited's ratio is lower than is usually acceptable (2) [3]
- (ii) Cole Limited (1)  
 Cole Limited can meet the immediate liabilities from **the liquid assets** but Fanza may have difficulty in paying current liabilities when they fall due/Fanza Limited's ratio is lower than is usually acceptable (2) [3]
- (c) Receive a fixed rate of dividend  
 The dividend is paid before ordinary share dividend  
 Capital is returned before ordinary share capital in a winding up  
 Do not usually carry voting rights  
 Preference shares are part of the capital of the company  
 Preference shareholders are members of the company  
**Any 2 (2) each** [4]



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- (d) Receive a fixed rate of interest  
Interest is paid irrespective of the profit of the company  
Are long term loans  
Are often secured on the assets of the company  
Debentures are repaid before share capital in a winding up  
Debenture holders are not members of the company  
Do not carry voting rights

**Any 2 (2) each**

[4]

**[Total: 23]**