

**CAMBRIDGE INTERNATIONAL EXAMINATIONS**  
International General Certificate of Secondary Education

**MARK SCHEME for the May/June 2014 series**

**0452 ACCOUNTING**

**0452/13**

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.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

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

[10]

2 (a)

Account	Ledger	
Insurance	nominal/general	(1)
Sales	nominal/general	(1)
Purchases	nominal/general	(1)
Lottie, a supplier	purchases	(1)
Matthew, a credit customer	sales	(1)
Capital	nominal/general	(1)

[6]

(b) Cash book  
Petty cash book  
General journal  
**Any one (1)**

[1]

(c) To reduce number of entries/detail in sales account  
Allows work to be shared between several people  
Provides list of credit sales  
**Any 1 reason (2)**

[2]

(d)

				Elinor account			
				\$		\$	
Apl 1	Balance b/d	120	(1)	Apl 17	Returns	46	(1)
16	Sales	<u>320</u>	(1)	30	Balance c/d	<u>394</u>	(1)
						<u>440</u>	
May 1	Balance b/d	394	(1)OF				

Sales account

		\$	
Apl 30	Credit sales for month	920	(1)

Sales returns account

		\$	
Apl 30	Sales returns for month	151	(1)

**+ (1) dates**

[8]

(e)  $260 \times 0.95$  (1) = \$247 (1)  
**OR**  $260 - 13$  (1) = \$247 (1)  
**OR**  $260 - 5\%$  = \$247 (2)

[2]

(f) Sales ledger control account. (1)

[1]

[Total: 20]

**3 (a)** Highfield Manufacturing Limited

		Bad debts account			
2014		\$		2014	\$
Feb 28	Debtor	1100	(1)	Feb 28	Income Statement
		<u>1100</u>			<u>1100</u> (1)
					<u>1100</u>
		Bad debts recovered account			
2014		\$		2014	\$
Feb 28	Income Statement	<u>200</u>	(1)	Feb 28	Bank/cash/debtor
		<u>200</u>			<u>200</u> (1)
					<u>200</u>
		Provision for doubtful debts account			
2014		\$		2014	\$
Feb 28	Balance c/d	3755	(1)	Mar 1	Balance b/d
				2015	
				Feb 28	Income Statement (1)
		<u>3755</u>			<u>789</u> (1)OF
					<u>3755</u>
				2015	
				Mar 1	Balance b/d
					3755 (1)OF

- (b) (i)** Any expense/loss for the financial year **(1)** is matched/set against the revenue for that same period **(1)** [2]
- (ii)** Ensures that the profit for the year is not overstated **(1)**  
Ensures that the trade receivables/ current assets are not overstated **(1)** [2]
- (c)** Direct materials plus direct labour **(1)** plus direct expenses **(1)**  
**OR**  
Cost of production excluding overheads **(2)** [2]
- (d)** Cost of production **(1)** [1]

**(e) (i)**

Ordinary shares	Preference shares
Variable rate of dividend	Fixed rate of dividend
Carry voting rights	Do not carry voting rights
Rank after preference shares for payment of dividend	Rank before ordinary shares for payment of dividend
Rank after preference shares in a winding up	Rank before ordinary shares in a winding up

**Any 1 comparative statement (2)** [2]

(ii)

Ordinary shares	Debentures
Variable rate of dividend	Fixed rate of interest
Holder receive dividend	Holder receive interest
Holder are members of the company	Holder are creditors
Are equity	Are long term loans
Carry voting rights	Do not carry voting rights
Rank after debentures in a winding up	Rank before ordinary shares in a winding up

**Any 1 comparative statement (2) [2]**

**(f) \$3000 (1) × 8/12 = \$2000 (1) [2]**

**(g)** Shareholders  
 Potential investors  
 Lenders  
 Bank  
 Trade creditors  
 Customers  
 Employees  
 Manager  
 Accountant  
 Government  
 Tax authorities  
**Any 2 parties (1) each [2]**

**[Total: 24]**

**4 (a)** An amount paid by a member for the right to use the facilities of a club **(1) [1]**

**(b)** Some members of the club may be in arrears with their subscriptions **(1)** and other members may have prepaid their subscriptions **(1) [2]**

**(c)**

Sole trader	Club or society	
Capital	Accumulated fund	<b>(1)</b>
Profit for the year	Surplus	<b>(1)</b>
Loss for the year	Deficit	<b>(1)</b>

**[3]**

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(d)

	Debit	Credit	Receipts and payments account	Income and expenditure account
Depreciation charge	✓			✓
Proceeds of sale of equipment	✓ (1)		✓ (1)	
Loss on disposal of equipment	✓ (1)			✓ (1)
Unpaid subscriptions written off	✓ (1)			✓ (1)
Purchase of new equipment		✓ (1)	✓ (1)	
Profit on sale of refreshments		✓ (1)		✓ (1)

[10]

(e)

Speedy Runners Sports Club  
Income Statement (Trading Account) for the year ended 31 December 2013

	\$	\$	
Revenue		6150	
Inventory – 1 January	380		
Purchases (2480 (1) – 200 (1) + 220 (1))	2500   2880		
Inventory – 31 December	340 (1)OF		
Cost of sales		2540 (1)	
Gross profit		<u>3610</u>	[5]

(f) Members have not invested any capital (1) so there can be no drawings which represent amounts taken from the return on an investment (1) [2]

(g) Financial statements are only useful if the information they contain can be compared with previous periods or other businesses (2) [2]

[Total: 25]

5 (a) Timing (1) [1]

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(b)

		Miguel				
		Cash book (bank columns only)				
2014		\$		2014	\$	
May 8	Gordon	920	(1)	May 8	Balance b/d	2720
	Balance c/d	1985			Insurance	120 (1)
		<u>1985</u>			Interest	<u>65</u> (1)
						<u>2905</u>
				2014		
				May 8	Balance b/d	1985 (2) CF
						(1) OF

[5]

(c)

		Miguel				
		Bank reconciliation statement at 7 May 2014				
		\$		\$		
	Balance on bank statement (1)			(922)	(1)	
	Add Amounts not yet credited					
		Sales	2132	(1)		
		Charles	<u>111</u>	(1)	<u>2243</u>	
					1321	
	Less Cheques not yet presented	Vehicle repairs	180	(1)		
		Francis	<u>3126</u>	(1)	<u>3306</u>	
	Balance in cash book (1)				<u>(1985)</u>	(1) OF

**Alternative presentation**

		Miguel				
		Bank reconciliation statement at 7 May 2014				
		\$		\$		
	Balance in cash book (1)			(1985)	(1) OF	
	Add Cheques not yet presented	Vehicle repairs	180	(1)		
		Francis	<u>3126</u>	(1)	<u>3306</u>	
					1321	
	Less Amounts not yet credited	Sales	2132	(1)		
		Charles	<u>111</u>	(1)	<u>2243</u>	
	Balance on bank statement (1)				<u>(922)</u>	(1) [8]

(d) \$66 (1) [1]

[Total: 15]

6 (a)

		Anton and Belle				
		Appropriation Account for the year ended 31 December 2013				
		\$		\$		
	Profit for the year			72 900	(1)	
	Interest on drawings – Anton	1 600	(1)			
		Belle	<u>500</u>	(1)	<u>2 100</u>	
					75 000	
	Interest on capital – Anton	10 000	(1)			
		Belle	<u>8 000</u>	(1)		
			18 000			
	Partner's salary – Anton	<u>12 000</u>	(1)	<u>30 000</u>		
				45 000		
	Profit shares – Anton	30 000	(1) OF			
		Belle	<u>15 000</u>	(1) OF	<u>45 000</u>	[8]

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(b)

		Anton Current account			
2013		\$		2014	\$
Jan 1	Balance b/d	10 400	(1)	Dec 31	Int on Cap 10 000 (1) OF
2014					Salary 12 000 (1)
Dec 31	Drawings	32 000	(1)		Profit share 30 000 (1) OF
	Int on drawings	1 600	(1)		
	Balance c/d	<u>8 000</u>			
		<u>52 000</u>			<u>52 000</u>
				2014	
				Jan 1	Balance b/d 8 000 (2) CF
					(1) OF

[8]

(c)  $\$146\,000 (1) + (\$51\,000 + \$13\,000) (1) = \$210\,000 (1)$   
 $(\$180\,000 + \$8\,000 + \$10\,000) (1) + \$12\,000 (1) = \$210\,000 (1)$

[3]

(d)  $\frac{72\,000}{210\,000} \text{ OF} \} (1)$  whole formula  $\times 100 = 34.71\% (2) \text{ CF}/(1) \text{ OF}$

[3]

(e)  $\$72\,900 (1) - \$51\,000 (1) + \$15\,000 (1) = \$36\,900 (1)$

[4]

[Total: 26]