

CAMBRIDGE INTERNATIONAL EXAMINATIONS**Cambridge International General Certificate of Secondary Education****MARK SCHEME for the October/November 2015 series****0452 ACCOUNTING****0452/12**

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.

Cambridge will not enter into discussions about these mark schemes.

Cambridge is publishing the mark schemes for the October/November 2015 series for most Cambridge IGCSE[®], Cambridge International A and AS Level components and some Cambridge O Level components.

® IGCSE is the registered trademark of Cambridge International Examinations.

Page 2	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2015	0452	12

1 (a) B

(b) A

(c) D

(d) D

(e) B

(f) A

(g) C

(h) B

(i) A

(j) C

(1) each

[10]

Page 3	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2015	0452	12

2 (a) The book where transactions (and other entries) are first recorded. (1) [1]

(b) Cash book/petty cash book/sales journal/sales returns journal/purchases journal/purchases returns journal/general journal/returns inwards and returns outwards journals

Any two for (1) mark each [2]

(c)

	asset	liability	expense
fixtures and fittings	✓		
insurance			✓
bank overdraft		✓	
cash	✓		
trade payable		✓	
wages			✓
accrued electricity		✓	
Increase in provision for doubtful debts			✓
Unpaid commission receivable	✓		

(1) Mark for every two correct [4]

(d) Statement of financial position (1) [1]

Income statement (1) [1]

Page 4	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2015	0452	12

(e)

	Debit entry		Credit entry	
	\$		\$	
1	<i>Bank account</i> 8 000		<i>Capital account</i> 8 000	
2	Bank account 2 000	(1)	Loan account 2 000	(1)
3	(Delivery) Van account/ Motor vehicles account 5 200	(1)	A1 Motors account 5 200	(1)
4	Purchases account 3 700	(1)	Bank account 3 700	(1)
5	Rent account 1 000	(1)	Bank account 1 000	(1)
6	Petty cash/Cash 100	(1)	Bank account 100	(1)

[10]

(f)

\$	\$	
8 000		
<u>2 000</u>	10 000	(1)
3 700		
1 000		
<u>100</u>	<u>(4 800)</u>	(1)
	<u>5 200</u>	(1) of

[3]

[Total: 22]

Page 5	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2015	0452	12

3 (a) Raw materials (1) work in progress (1) finished goods/purchased finished goods (1) **[3]**

(b) Lower of cost and net realisable value (1) **[1]**

(c)

Account debited	Account credited
Drawings (1)	Purchases (1)

[2]

(d) Business entity (1) **[1]**

- (e)** To check for errors and omissions in his books of account
 To check the errors in the bank statement
 To identify stale cheques
 To identify unpresented cheques
 To identify amounts not credited
 To calculate the correct bank balance in his cash book
 To verify the balance in his cash book
 To correct/amend his cash book

Any one for (1) mark **[1]**

(f) A copy of the customer's account as it appears in the books of the bank (1) **[1]**

(g) An item in the cash book not in the bank statement

Unpresented cheque/uncredited deposit/book-keeper error
 Any one for (1) mark

An item in the bank statement not in the cash book.

Bank charges/bank interest/dishonoured cheque/standing order/credit transfer/direct debit/bank error/dishonoured cheque

Any one for (1) mark **[2]**

[Total: 11]

Page 6	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2015	0452	12

- 4 (a) An estimate (1) of the amount which will be lost (1) when debts go bad (1) which reduces the value of trade receivables (1)
Max 2 [2]

(b)

Samuel Provision for doubtful debts account					
2015		\$	2014		\$
30 April	Income statement	70 (1of)	1 May	Balance b/d	450 (1)
	Balance c/d	<u>380</u> (1)			—
		<u>450</u>			<u>450</u>
			2015		
			1 May	Balance b/d	380 (1of)

+(1) for dates

[5]

- (c) Below/after gross profit/after trading account/(on credit side) as other income.
Profit and loss section/(debit side) as an expense [1of]
- (d) Accruals/matching (1)
Prudence (1) [2]
- (e) Trade receivables (1)
Capital/profit (1) [2]

[Total: 12]

Page 7	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2015	0452	12

5 (a)

	\$	
Trade receivables	700	}
Trade payables	(400)	}(1)
Inventory	1 100	(1)
Equipment at cost	15 700	}
Provision for depreciation of equipment	(4 100)	}(1)
Prepaid rent	250	(1)
Bank	2 100	(1)
Capital	15 350	(1of)

[6]

(b)

Nzita							
Total trade receivables account							
2014		\$		2015		\$	
Feb 1	Balance b/d	700	(1)	Jan 31	Bank/Cash	28 900	(1)
2015					Balance c/d	900	
Jan 31	Sales	29 100	(1of)				
		<u>29 800</u>				<u>29 800</u>	
2015							
Feb 1	Balance b/d	900	(1of)				

Nzita Total trade payables account							
2015		\$		2014		\$	
Jan 31	Bank/Cash	12 600	(1)	Feb 1	Balance b/d	400	(1)
	Balance c/d	650		2015			
				Jan 31	Purchases	12 850	(1of)
		<u>13 250</u>				<u>13 250</u>	
				2015			
				Feb 1	Balance b/d	650	(1of)

[8]

Page 8	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2015	0452	12

(c)

Nzita
Income Statement for the year ended 31 January 2015

	\$	\$
Sales/Revenue		29 100 (1of)
Inventory 1 Feb 2014	1 100	
Purchases	<u>12 850</u> (1of)	
	13 950	
Inventory 31 January 2015	<u>1 400</u> (1 for both)	
Cost of sales		<u>12 550</u>
Gross profit		16 550 (1of)
Rent 3100 (1) + (250–150) (1)	3 200	
Wages	5 200	
Sundry expenses	2 650	
Depreciation of equipment	<u>1 680</u> (1)	
		<u>12 730</u>
Profit for the year + 1 for IAS terminology		<u>3 820</u> (1of)

[9]

(d)

Nzita
Statement of Financial Position (extract) at 31 January 2015

	\$
Capital at 1 Feb 2014	15 350 (1of)
Profit for the year	<u>3 820</u> (1of)
	19 170
Drawings	<u>6 600</u> (1)
Capital at 31 January 2015	<u>12 570</u> (1of)

[4]

Page 9	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2015	0452	12

(e) $16\,550/29\,100$ **(1of)** $\times 100 = 56.87\%$ **(1of)** [2]

- (f)** Lower selling prices
 Introduction of trade discount
 Sales promotions
 Higher purchases prices not passed on to customers
 Change in mix of goods sold
 Higher cost of sales

Any two **(1of)** each [2]

[Total: 31]

Page 10	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2015	0452	12

- 6 (a) Capital (1)
 Revenue (1)
 Current (1)
 Non-current (1)
 Understated (1)
 Overstated (1)

[6]

(b)

Error 2 (1)	Error of commission (1)
Error 4 (1)	Error of principle (1)

[4]

(c)

Error		Debit \$	Credit \$
1	Discount allowed Discount received Suspense Correction of misposting of discounts (1)	30 (1) 30 (1)	60 (1)
2	Joanie Yolanda Correction of misposting of receipt of cash (1)	85 (1)	85 (1)
3	Sales returns Suspense Correction of misposting of sales returns journal total (1)	10 (1)	10 (1)
4	Stationery Office equipment Correction of revenue expenditure treated as capital expenditure (1)	150 (1)	150 (1)

[13]

Page 11	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2015	0452	12

- (d) Leroy
Suspense account

2015		\$	2015		\$		
Sept 30	Balance b/d	70	(1of)	Sept 30	Discount allowed and received	60	(1of)
					Sales returns	10	(1of)
		<u>70</u>				<u>70</u>	

[3]

- (e)

	No effect	Increase \$	Decrease \$	\$
Draft profit				5 170
Error 1			60 (2)	
Error 2	✓ (1)			
Error 3			10 (2)	
Error 4			150 (2)	
Corrected profit				4 950 (1)OF

Marks with figures: 1 for figure, 1 for direction

[8]

[Total: 34]