



Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

ACCOUNTING

0452/12

Paper 1

October/November 2016

MARK SCHEME

Maximum Mark: 120

Published

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 2016 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.

This document consists of **9** printed pages.

Page 2	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2016	0452	12

Glossary for Q1**(c)**

- A $600 - 150 = 450$
 B $600 - 20 = 580$
 C $600 + 20 = 620$
 D $600 + 150 = 750$

(d)

- A and C $2000 + 100 - 180 - 1750 = 170$
 B and D $2000 - 100 + 180 - 1750 = 330$

(i)

- A $9800 - 1120 - 8280 = 400$
 B $10\,000 - 1120 - 8280 = 600$
 C $9800 - 850 - 8280 = 670$
 D $10\,000 - 850 - 8280 = 870$

(j)

- A $800 - (820 - 70) = 50$
 B $(820 + 70) - 800 = 90$
 C $1200 - (820 + 70) = 310$
 D $1200 - 820 = 380$

1 (a) B**(b) B****(c) A****(d) A****(e) A****(f) C****(g) D****(h) C****(i) D****(j) B****10 × (1) mark****[Total: 10]**

Page 3	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2016	0452	12

2 (a) Going concern (1) [1]

(b) To check the arithmetical accuracy of the double entry (1)
OR
To help in the preparation of the financial statements (1) [1]

(c) Suspense (1) [1]

(d)

	Debit side	Credit side
Capital		✓
Cash	✓	
Drawings	✓	
Rent	✓	
Sales returns	✓	
Bank overdraft		✓
Machinery	✓	
Discount received		✓
Provision for depreciation		✓
Bad debts	✓	

Any two correct for (1) mark [5]

(e) So that accounts of the same type can be kept together

To allow division of work
To allow easier reference
To allow checking procedures to be introduced
Any one reason (1)

[1]

Page 4	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2016	0452	12

(f)

Account	Ledger
Insurance	<i>Nominal/general</i>
Sales	Nominal/general (1)
Discount allowed	Nominal/general (1)
Philip, a credit customer	Sales (1)
Purchases	Nominal/general (1)
Amit, a credit supplier	Purchases (1)

[5]

- (g) (i)** Trade discount –
to encourage bulk purchases
to reward business in the same trade
to allow customers to make a profit
Any one for **(1)** mark

[1]

- (ii)** Cash discount - to reward prompt payment **(1)**

[1]

- (h)** Cash discount **(1)**

[1]**(i)**

	debit entry	credit entry
Goods taken	Drawings (1)	Purchases (1)
Computer transferred	Office equipment (1)	Capital (1)

[4]

- (j)** Business entity **(1)**

[1]

Page 5	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2016	0452	12

(k)

Interested party	Reason
Karen	To see progress of business
Government department	To check on tax payable
Trade payables/ suppliers	To check on likelihood of receiving money
Bank manager	To decide on whether to give/continue overdraft
Customer	To check on viability of business for continued supply of goods
Potential partner	To see potential rewards for investment
Manager	To see progress of business
Any two for (1) each	Any two related reasons for (1) each

Reasonable alternatives may be rewarded

[4](l) Financial information is relevant if it affects the business decisions **(1)****[1]****[Total: 27]**3 (a) Something which the business owns or something which is owed to the business **(1)** **[1]**(b) Non-current asset –any reasonable definition **(1)** eg an item held for more than 12 months, an item which is not for resale.Current asset – any reasonable definition **(1)** eg short term, an item which can be turned into cash quickly. **[2]**(c) An amount which is owed by the business **(1)** **[1]**(d) Non-current liability – any reasonable definition **(1)** eg long term debtCurrent liability – any reasonable definition **(1)** eg an amount owed to be paid within a year **[2]**(e) (i) any reasonable suggestion **(1)** eg oven, computer **[1]**(ii) any reasonable suggestion **(1)** eg flour, yeast, unsold loaves **[1]**
Other suitable answers are acceptable.(f) (i) $\frac{135480}{14250} = 9.51 \text{ times}$ **(1of)** **(1)** **[3]**(ii) $[(1300 + 700) \times 1.2] - 1400 = 1000$ **(1)** **(1)** **(1)** **[3]**

Page 6	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2016	0452	12

- (g) Any two possible reasons for (1) mark each e.g.
making a loss, excess drawings, purchase of non-current assets, bad debts, debtors not paying, paying trade payables sooner, increased expenditure on inventory, repayment of loan.

Other suitable answers are acceptable.

[2]

[Total: 16]

4 (a)

Grindle					
Fixtures and fittings account					
2015		\$		2015	\$
Jan 1	Balance b/d	17 200	(1)	Aug 1	Disposal (1)
Mar 1	Bill	3 600	(1)	Dec 31	Balance c/d
		<u>20 800</u>			<u>17 600</u>
					<u>20 800</u>
2016					
Jan 1	Balance b/d	17 600	(1)		
+1 dates					

[6]

- (b) \$17 600 (1) × 0.10 = \$1760 (1)

[2]

(c)

Grindle					
Provision for depreciation of fixtures and fittings account					
2015		\$		2015	\$
Aug 1	Disposal	320	(1of)	Jan 1	Balance b/d
Dec 31	Balance c/d	<u>7 240</u>		Dec 31	Income statement
		<u>7 560</u>			<u>1 760</u>
					<u>7 560</u>
				2016	
				Jan 1	Balance b/d
+1 dates					
					7 240 (1of)

[4]

- (d) Capital expenditure (1)

[1]

- (e) None (1)

[1]

(f)

Increase	Decrease
	✓ (1)

[1]

[Total: 15]

Page 7	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2016	0452	12

5 (a) A cost which can be linked to a specific unit of production (1) [1]

(b) Any two correct answers for (1) mark each
E.g. purchases of cloth, thread, buttons etc., carriage on material, machinists etc., royalties [2]

(c) Factory overhead (1)
OR any example for (1) mark
e.g. factory supervisor's salary, depreciation of factory machinery, rent of factory building [1]

(d) (i) $89\,000 + 21\,600 (1) - 100 (1) = \$110\,500 (1\text{of})$ [3]

(ii)

Mistry Clothing			
Income Statement for the year ended 30 June 2016			
	\$	\$	
Revenue		203 220	(1)
Inventory at 1 July 2015	8 800		(1)
Cost of production	110 500		(1of)
Purchases	36 200		(1)
	<u>155 500</u>		
Drawings	(320)		(1)
	<u>155 180</u>		
Inventory at 30 June 2016	19 700		(1)
Cost of sales		<u>135 480</u>	
Gross profit		67 740	(1of)
Selling and distribution expenses	20 760		
Administration expenses	<u>31 760</u>		
		<u>52 520</u>	(1)
Profit for the year		<u>15 220</u>	(1of)

[9]

(e) It is cheaper to buy than produce (1) **OR**

Demand is higher than production at full capacity (1) [1]

(f)

$$\frac{1800 (1)}{750 (1)} = 2.4 : 1 (1)$$

[3]

(g) Sales have slowed down (1)
Inventory has increased (1)

[2]

[Total: 22]

Page 8	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2016	0452	12

6 (a)

Amina and Doreen Cash book (bank columns)					
2016		\$		2016	\$
Jan 1	Capital A	5 000	}	Jan 1	Rent
	Capital D	5 000	}(1)	20	Bertie
6	Sales	7 900	(1)	31	Wages
					Balance c/d
		<u>17 900</u>			<u>10 520</u>
Feb 1	Balance b/d	10 520	(1of)		<u>17 900</u>

[6]

(b) (i)

	\$	\$	
Revenue		8 500	(1)
Purchases	4 000		(1)
Closing inventory	<u>(600)</u>		(1)
Cost of sales		<u>3 400</u>	
Gross profit		<u>5 100</u>	(1of)

[4]

(ii)

Amina and Doreen Calculation of profit for the month ended 31 January 2016			
	\$	\$	
Gross profit		5 100	(1of)
Discount received		<u>120</u>	(1)
		5 220	
Rent	900		(1)
Wages	800		(1)
Depreciation fixtures and fittings	40		(1)
Depreciation delivery van	<u>135</u>		(1)
Profit for the month		<u>1 875</u>	
		<u>3 345</u>	(1of)

[7]

Page 9	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2016	0452	12

(c)

Amina and Doreen			
Statement of Financial Position at 31 January 2016			
	\$	\$	\$
Non-current assets	Cost	Accumulated depreciation	N B V
Delivery vehicle	8 100 (1)	135 (1of)	7 965
Fixtures and fittings	4 800 (1)	40 (1of)	4 760
	<u>12 900</u>	<u>175</u>	<u>12 725</u>
Current assets			
Inventory (150 × 4)		600 (1)	
Trade receivable (50 × 10)		500 (1)	
Other receivables		1 800 (1)	
Bank		10 520 (1of)	
Cash		100 (1)	13 520
Total assets			<u>26 245</u>
Capital	Amina	13 100 (1)	
	Doreen	9 800 (1)	22 900
Current	Amina	2 230 (1of)	
	Doreen	1 115 (1of)	3 345
			<u>26 245</u>

[13]

[Total: 30]