Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

ACCOUNTING **0452/11**
Paper 1 **October/November 2017**
MARK SCHEME
Maximum Mark: 120

Published

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This document consists of **13** printed pages.

Question	Answer	Marks
1(a)	D	**1**
1(b)	C	**1**
1(c)	B	**1**
1(d)	C	**1**
1(e)	C	**1**
1(f)	A	**1**
1(g)	D	**1**
1(h)	B	**1**
1(i)	B	**1**
1(j)	A	**1**

Question	**Answer**	**Marks**
2(a)	The amount owed by the business to the owner. The funds put into the business/contributed by the owner (plus profits net of drawings). Any one for **(1)** mark	**1**
2(b)	see below	**4**
2(c)	Nominal (general) ledger	**1**
2(d)	(Limited) company	**1**
2(e)	Items which a business owns or which are owed to the business are known as ASSETS.	**1**
2(f)	see below	**6**

2(b)

	Principle
A trader withdraws goods for his own use and records this in the drawings account.	Business entity **(1)**
A book-keeper writes off debts which will not be paid to the business.	Prudence/accruals (matching) **(1)**
An accountant does not include staff morale as an asset in the statement of financial position.	Money measurement **(1)**
A business uses the double entry system of book-keeping to record transactions.	Duality **(1)**

2(f)

document	reason for issue	name of person issuing document
invoice	*to record goods sold on credit*	*Jake*
debit note	to ask for reduction in invoice **(1)**	Rashida **(1)**
credit note	to accept request for reduction in invoice **(1)**	Jake **(1)**
statement of account	to summarise transactions for the month **(1)**	Jake **(1)**

Question	**Answer**	**Marks**
2(g)		**3**

	True or False
Work in progress may appear in Jake's manufacturing account.	True **(1)**
Prime cost appears in Jake's income statement.	False **(1)**
Jake's business is a service business.	False **(1)**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(a)</td><td>A bank statement is a copy of the customer’s account as it appears in the books of the bank.</td><td>1</td></tr>
<tr><td>3(b)</td><td>Kang-Dae
Cash book (bank columns only)
<table>
<tr><td>2017</td><td></td><td>$</td><td></td><td>2017</td><td></td><td>$</td><td></td></tr>
<tr><td>June 1</td><td>Balance b/d</td><td>1 310</td><td>(1)</td><td>June 1</td><td>Bank charges</td><td>60</td><td>(1)</td></tr>
<tr><td></td><td>Nigel</td><td>540</td><td>(1)</td><td></td><td>Rent</td><td>1 000</td><td>(1)</td></tr>
<tr><td></td><td>Insurance (error)</td><td>320</td><td>(1)</td><td></td><td>Electricity</td><td>400</td><td>(1)</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td>Balance c/d</td><td>710</td><td></td></tr>
<tr><td></td><td></td><td>2 170</td><td></td><td></td><td></td><td>2 170</td><td></td></tr>
<tr><td>June 1</td><td>Balance b/d</td><td>710</td><td>(1)OF</td><td></td><td></td><td></td><td></td></tr>
</table></td><td>7</td></tr>
<tr><td>3(c)</td><td>Kang-Dae
Bank reconciliation statement at 1 June 2017
<table>
<tr><td></td><td></td><td><i>$</i></td><td></td></tr>
<tr><td>Balance per cash book</td><td>(1)</td><td>710</td><td>(1)OF</td></tr>
<tr><td>Add unpresented cheque</td><td></td><td>700</td><td>(1)</td></tr>
<tr><td></td><td></td><td>1 410</td><td></td></tr>
<tr><td>Less uncredited deposit</td><td></td><td>620</td><td>(1)</td></tr>
<tr><td>Balance per bank statement</td><td>(1)</td><td>790</td><td>(1)</td></tr>
</table>
OR
Kang-Dae
Bank reconciliation statement at 1 June 2017
<table>
<tr><td></td><td></td><td>$</td><td></td></tr>
<tr><td>Balance per bank statement</td><td>(1)</td><td>790</td><td>(1)</td></tr>
<tr><td>Add uncredited deposit</td><td></td><td>620</td><td>(1)</td></tr>
<tr><td></td><td></td><td>1 410</td><td></td></tr>
<tr><td>Less unpresented cheque</td><td></td><td>700</td><td>(1)</td></tr>
<tr><td>Balance per cash book</td><td>(1)</td><td>710</td><td>(1)OF</td></tr>
</table></td><td>6</td></tr>
</table>

Question	Answer	Marks
3(d)	A loan is of fixed amount but an overdraft is of varying amount. A loan is for a fixed term but an overdraft may be paid back at any time. A loan may require security but an overdraft may be unsecured. A loan may have a fixed rate of interest but an overdraft will have a variable rate. Any two for **(1)** each	**2**
3(e)	Non-current liabilities	**1**

Question	Answer	Marks
4(a)	$\frac{(17\,040 - 12\,780)\ \mathbf{(1)}}{42\,600\ \mathbf{(1)}} \times 100 = 10\%$ **(1)OF**	**3**
4(b)	1 May 2015: Cash book **(1)** 1 August 2016: 1 Nominal (general) journal **(1)** 2 Cash book **(1)**	**3**

Question	Answer	Marks
4(c)		12

	workings	$
fixtures and fittings at cost on 31 December 2015	42 600 + 12 000	54 600 **(1)**
fixtures and fittings at cost on 31 December 2016	54 600 **(OF)** – 10 000	44 600 **(1)OF**
depreciation charge for the year ended 31 December 2015	(54 600 **(OF)** × 10%) **(1)OF**	5 460 **(1)OF**
accumulated depreciation at 31 December 2015	17 040 + 5 460 **(1)OF**	22 500 **(1)OF**
depreciation charge for the year ended 31 December 2016	(44 600 **(OF)** × 10%) **(1)OF**	4 460 **(1)OF**
accumulated depreciation at 31 December 2016	22 500 **(1)OF** + 4 460 **(1)OF** – 4 000 **(1)**	22 960 **(1)OF**

Question	Answer	Marks
4(d)		2

debit entry	credit entry
income statement **(1)**	provision for depreciation of fixtures and fittings account **(1)**

Question	Answer	Marks
4(e)		2

debit entry	credit entry
provision for depreciation of fixtures and fittings account **(1)**	disposal account **(1)**

Question	Answer	Marks
4(f)	Reducing (diminishing) balance method **(1)** Annual percentage rate **(1)** is applied to the net book value **(1)** of the asset. **OR** Revaluation method **(1)** The difference between the opening and closing valuations is taken **(1)** and adjusted for any purchases or disposals **(1)**	3

Question	Answer	Marks
4(g)	<table><tr><td></td><td>capital expenditure</td><td>revenue expenditure</td></tr><tr><td>cost of vehicle</td><td>✓ **(1)**</td><td></td></tr><tr><td>number plates</td><td>✓ **(1)**</td><td></td></tr><tr><td>fuel</td><td></td><td>✓ **(1)**</td></tr><tr><td>insurance of vehicle</td><td></td><td>✓ **(1)**</td></tr></table>	**4**
4(h)	Capital introduced Receipt of loan Proceeds of sale of non-current asset Any one for **(1)** mark	**1**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>
Satish
Suspense account
<table>
<tr><td>2017</td><td></td><td>$</td><td></td><td>2017</td><td></td><td>$</td><td></td></tr>
<tr><td>Jun 30</td><td>Drawings</td><td>2 000</td><td>(1)</td><td>Jun 30</td><td>Balance b/d</td><td>3 900</td><td>(1)</td></tr>
<tr><td></td><td>Capital</td><td>2 000</td><td>(1)</td><td></td><td>Purchases</td><td>100</td><td>(1)</td></tr>
<tr><td></td><td></td><td>4 000</td><td></td><td></td><td></td><td>4 000</td><td></td></tr>
</table>
</td><td>4</td></tr>
<tr><td>5(b)(i)</td><td>
Satish
Statement of correction of gross profit for the year ended 30 June 2017
<table>
<tr><th></th><th>No Effect</th><th>Increase
$</th><th>Decrease
$</th><th>$</th></tr>
<tr><td>Draft gross profit</td><td></td><td></td><td></td><td><i>20 000</i></td></tr>
<tr><td>Error 1</td><td></td><td>400 (2)</td><td></td><td></td></tr>
<tr><td>Error 2</td><td></td><td></td><td>550 (2)</td><td></td></tr>
<tr><td>Error 3</td><td></td><td></td><td>100 (2)</td><td></td></tr>
<tr><td>Error 4</td><td>✓ (1)</td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td>400</td><td>650</td><td>(250)</td></tr>
<tr><td>Corrected gross profit</td><td></td><td></td><td></td><td>19 750
(1)OF</td></tr>
</table>
*(2 marks) = (1) for right column, and second mark for correct amount
</td><td>8</td></tr>
<tr><td>5(b)(ii)</td><td>
<table>
<tr><td></td><td>$</td><td></td><td>$</td><td></td></tr>
<tr><td>Corrected gross profit</td><td></td><td></td><td>19 750</td><td>(1)OF</td></tr>
<tr><td>Rent</td><td>6 000</td><td></td><td></td><td></td></tr>
<tr><td>Wages</td><td>2 800</td><td></td><td></td><td></td></tr>
<tr><td>Other operating expenses</td><td>4 180</td><td>(2)*</td><td></td><td></td></tr>
<tr><td>Depreciation</td><td>1 500</td><td>(1)</td><td>14 480</td><td></td></tr>
<tr><td>Profit for the year</td><td></td><td></td><td>5 270</td><td>(1)OF</td></tr>
</table>
*2 marks for all three components, 1 mark for two components
</td><td>5</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(c)</td><td>
Satish
Statement of Financial Position at 30 June 2017
<table>
<tr><td></td><td>$
Cost</td><td>$
Accumulated depreciation</td><td>$
Net book value</td><td></td></tr>
<tr><td>Non-current assets</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Fixtures and fittings</td><td>12 000 (1)</td><td>4 500 (1)</td><td>7 500</td><td></td></tr>
<tr><td>Current assets</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Inventory (4 620 – 550)</td><td></td><td></td><td>4 070</td><td>(1)</td></tr>
<tr><td>Trade receivables (3 100 + 400)</td><td></td><td></td><td>3 500</td><td>(1)</td></tr>
<tr><td></td><td></td><td></td><td>7 570</td><td></td></tr>
<tr><td>Total assets</td><td></td><td></td><td>15 070</td><td></td></tr>
<tr><td>Capital at 1 July 2016</td><td></td><td></td><td>14 200</td><td>(1)</td></tr>
<tr><td>Capital introduced</td><td></td><td></td><td>2 000</td><td>(1)</td></tr>
<tr><td>Profit</td><td></td><td></td><td>5 270</td><td>(1)OF</td></tr>
<tr><td></td><td></td><td></td><td>21 470</td><td></td></tr>
<tr><td>Drawings</td><td></td><td></td><td>8 900</td><td>(1)</td></tr>
<tr><td>Capital at 30 June 2017</td><td></td><td></td><td>12 570</td><td></td></tr>
<tr><td>Current liabilities</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Trade payables</td><td></td><td></td><td>1 900</td><td>(1)</td></tr>
<tr><td>Bank</td><td></td><td></td><td>600</td><td>(1)</td></tr>
<tr><td>Total liabilities</td><td></td><td></td><td>2 500</td><td></td></tr>
<tr><td></td><td></td><td></td><td>15 070</td><td></td></tr>
</table>
Accept alternative presentation
</td><td>10</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(a)</td><td>A business in which two or more people work together as owners.</td><td>1</td></tr>
<tr><td>6(b)</td><td>
Amina and Samara
Appropriation Account for the year ended 30 June 2017
<table>
<tr><th></th><th></th><th>$</th><th>$</th><th></th></tr>
<tr><td>Profit for the year</td><td></td><td></td><td>17 500</td><td></td></tr>
<tr><td>Interest on capital</td><td>– Amina</td><td>5 500</td><td></td><td>(1)</td></tr>
<tr><td></td><td>– Samara</td><td>2 000</td><td></td><td>(1)</td></tr>
<tr><td></td><td></td><td></td><td>7 500</td><td></td></tr>
<tr><td></td><td></td><td></td><td>10 000</td><td></td></tr>
<tr><td>Share of profit</td><td>– Amina</td><td>6 000</td><td></td><td>(1)OF</td></tr>
<tr><td></td><td>– Samara</td><td>4 000</td><td></td><td>(1)OF</td></tr>
<tr><td></td><td></td><td></td><td>10 000</td><td></td></tr>
</table>
</td><td>4</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(c)</td><td>
Amina and Samara
Capital accounts
<table>
<tr><th>Date</th><th>Details</th><th>Amina</th><th>Samara</th><th>Date</th><th>Details</th><th>Amina</th><th>Samara</th><th></th></tr>
<tr><td></td><td></td><td>$</td><td>$</td><td></td><td></td><td>$</td><td>$</td><td></td></tr>
<tr><td>2017 Jun 30</td><td>Balance c/d</td><td>60 000</td><td>20 000</td><td>2016 Jul 1</td><td>Balance b/d</td><td>50 000</td><td>20 000</td><td>(1)</td></tr>
<tr><td></td><td></td><td></td><td></td><td>2017 Jan 1</td><td></td><td></td><td></td><td>(1)</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td>Cash</td><td>10 000</td><td></td><td></td></tr>
<tr><td></td><td></td><td>60 000</td><td>20 000</td><td></td><td></td><td>60 000</td><td>20 000</td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td>2017 Jul 1</td><td>Balance b/d</td><td>60 000</td><td>20 000</td><td>(1) OF</td></tr>
</table>
</td><td>3</td></tr>
<tr><td></td><td>
Current accounts
<table>
<tr><th>Date</th><th>Details</th><th>Amina</th><th>Samara</th><th>Date</th><th>Details</th><th>Amina</th><th>Samara</th><th></th></tr>
<tr><td></td><td></td><td>$</td><td>$</td><td></td><td></td><td>$</td><td>$</td><td></td></tr>
<tr><td>2017 Jun 30</td><td>Drawings</td><td>8 000</td><td>12 000 (1)</td><td>2016 Jul 1</td><td>Balance b/d</td><td>4 000</td><td>3 000</td><td>(1)</td></tr>
<tr><td></td><td>Balance c/d</td><td>7 500</td><td></td><td>2017 Jun 30</td><td>Interest on capital</td><td>5 500</td><td>2 000</td><td>(1of)</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td>Share of profit</td><td>6 000</td><td>4 000</td><td>(1of)</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td>Balance c/d</td><td></td><td>3 000</td><td></td></tr>
<tr><td></td><td></td><td>15 500</td><td>12 000</td><td></td><td></td><td>15 500</td><td>12 000</td><td></td></tr>
<tr><td>Jul 1</td><td>Balance b/d</td><td></td><td>3 000</td><td>Jul 1</td><td>Balance b/d</td><td>7 500</td><td></td><td>(1of)</td></tr>
</table>
Where appropriate mark is for both entries
</td><td>5</td></tr>
<tr><td>6(d)</td><td>Profit for the year would be lower by the amount of the loan interest. (1)
Interest on capital would be lower by the interest on the additional capital. (1)
Shares of profit might be higher or lower depending on rate of loan interest. (1)
Max 2</td><td>2</td></tr>
</table>

Question	Answer	Marks
6(e)	Samara has a debit balance on her current account **(1)** which means that she owes funds to the business. **(1)** Samara's drawings are greater than her total allocation of profit, **(1)** which means she is reducing the capital of the business. **(1)** The partnership agreement could be amended **(1)** to introduce a partner's salary/interest on drawings/change in the profit sharing ratio. **(1)** Amina has had to introduce additional capital **(1)** in order to run the day to day business/cover what Samara has taken as drawings. **(1)** One mark for basic point, plus one for development to **max 4**	**4**