Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

ACCOUNTING	**0452/22**
Paper 2	**October/November 2017**
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.

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Question	Answer	Marks
1(a)(i)	Saffie Petty Cash Book	**9**

Total received	Date	Details			Total paid	Travel	Postage & stationery	Ledger accounts
$	*2017*				$	$	$	$
63	*Sept 1*	*Balance*	*b/d*					
87		Bank		**(1)**				
	3	Taxi fare		**(1)**	12	12		
	11	Stationery		**(1)**	64		64	
	21	Faariqa		**(1)**	29			29
	30	Postage		**(1)**	22		22	
					127	12	86	29
		Balance	c/d		23			
150					150			
	2017							
23	Oct 1	Balance	b/d	**(1)OF**				

+ (1) dates
+ (1)OF totalling analysis columns
+ (1)OF totalling total columns

Question	Answer	Marks
1(a)(ii)	Saffie Cash Book	**10**

Date	Details		Discount allowed	Cash	Bank	Date	Details			Discount received	Cash	Bank
2017			$	$	$	*2017*				$	$	$
Sept 1	*Balance b/d*			*120*		*Sept 1*	*Balance b/d*					*3 841*
26	Thushari	**(1)**	8		392	7	Petty cash		**(1)**			87
28	Sales	**(1)**		40	4 800	15	Repairs		**(1)**			461
						29	SL Stores (dis. chq.)		**(1)**			210
						30	Sopitha		**(1)**	12		468
							Balances	c/d			160	125
			8	40	5192					12	160	5 192
2017 Oct 1	Balances	b/d		160 **(1)OF**	125 **(1)OF**							

+ (1)OF totalling discount columns
+ (1) dates

Question	Answer	Marks
1(b)	Saffie Bank Reconciliation Statement at 30 September 2017	**6**

	$		$	
Balance shown on bank statement			(4 649)	**(1)**
Add Cheque not credited – Thushari	392	**(1)OF**		
Amount not credited – cash sales	4 800	**(1)**		
Bank error	50	**(1)**	5 242	
			593	
Less Cheque not presented – Sopitha			468	**(1)OF**
Balance shown in cash book			125	**(1)OF**

Alternative presentation

Bank Reconciliation Statement at 30 September 2017

	$		$	
Balance shown in cash book			125	**(1)OF**
Add Cheque not presented – Sopitha			468	**(1)OF**
			593	
Less Cheque not credited – Thushari	392	**(1)OF**		
Amount not credited – cash sales	4 800	**(1)**		
Bank error	50	**(1)**	5 242	
Balance shown on bank statement			(4 649)	**(1)**

Question	Answer	Marks
2(a)	Mustafa Manufacturing Account for the year ended 31 July 2017	13

	$		$	
Cost of materials consumed				
Purchases of raw materials	447 400			
Less Purchases returns	1 800		445 600	**(1)**
Carriage inwards			2 590	**(1)**
			448 190	
Closing inventory of raw materials			62 200	
			385 990	**(1)OF**
Direct wages (287 400 **(1)** + 3 760 **(1)**)			291 160	
Prime cost			677 150	**(1)OF**
Factory overheads				
Factory supervisors' wages	101 150			
General expenses (¾ · 13 400)	10 050	**(1)**		
Rates and insurance (⅔ · 12 600)	8 400	**(1)**		
Depreciation				
Machinery (20% · 92 000)	18 400	**(1)**		
Loose tools (19 600 – 18 100)	1 500	**(1)**	139 500	
			816 650	**(1)OF**
Closing work in progress			38 200	**(1)**
Cost of production			778 450	**(1)OF**

Question	Answer	Marks
2(b)		4

	$	
Cost of production	778 450	**(1)OF**
Purchases of finished goods	22 200	**(1)**
	800 650	
Less closing inventory of finished goods	69 700	**(1)**
Cost of sales	730 950	**(1)OF**

Question	Answer	Marks
2(c)	Loan interest to pay every year. Loan interest to pay irrespective of profits. Loan to be repaid by given date. **Or other suitable point** **Any 1 point (1)**	**1**
2(d)	Introduce additional capital Take a partner Convert to a limited company Mortgage the premises Borrow from family and friends See if government grants are available **Or other suitable point** **Any 2 points (1) each**	**2**

Question	Answer	Marks
3(a)	Zikri Commission receivable account	**6**

		$					$	
2016				2016				
Sept 1	Balance b/d	495	**(1)**	Sept 4	Bank		495	**}**
2017			**(1) OF**	Dec 3	Bank		515	**} (1)**
Aug 31	Income statement	1 685		2017				
				Mar 5	Bank		374	**}**
				Jun 2	Bank		404	**} (1)**
				Aug 31	Balance	c/d	392	
		2 180					2 180	
2017								
Sept 1	Balance b/d	392	**(1)**					

+ (1) Dates

Question	Answer	Marks
3(b)	Zikri Rent account	**4**

			$					$	
2017					2017				
Jan 1	Bank		4 800	**}**	Aug 31				
July 1	Bank		4 800	**} (1)**		Income statement		6 400	**(1)OF**
						Balance	c/d	3 200	
			9 600					9 600	
2017									
Sept 1	Balance	b/d	3 200	**(1)**					

+ (1) Dates

Question	Answer	Marks
3(c)	Balance b/d 1 September 2016: Value of stationery/inventory of stationery at that date. **(1)** Credit stationery account for previous financial year. **(1)** XY Limited 8 February 2017: Value of stationery purchased on credit from XY Limited. **(1)** Credit XY Limited account. **(1)** Drawings 31 July 2017: Value of stationery taken by owner for personal use. **(1)** Debit drawings account. **(1)**	**6**
3(d)	$205	**1**
3(e)	Current assets	**1**
3(f)	(see table below)	**10**

	Effect on gross profit	Effect on profit for the year
General expenses omitted from income statement	*No effect*	*Overstated*
Opening inventory over-valued	Understated **(1)**	Understated **(1)**
Wages account over-added	No Effect **(1)**	Understated **(1)**
Sales returns omitted from income statement	Overstated **(1)**	Overstated **(1)**
Carriage inwards included in the expenses in the income statement	Overstated **(1)**	No Effect **(1)**
Purchases returns added to the purchases	Understated **(1)**	Understated **(1)**

Question	Answer							Marks
4(a)	Rashida Income Statement for the year ended 30 September 2017							**14**
		$		$		$		
	Revenue			572 000				
	Less Returns			1 840		570 160	**(1)**	
	Cost of sales							
	Opening inventory			37 150	*			
	Purchases	455 900						
	Less Returns	2 750						
		453 150	**(1)**					
	Carriage inwards	6 940	**(1)**	460 090				
				497 240				
	Closing inventory			41 160	***(1) both**	456 080		
	Gross profit					114 080	**(1)OF**	
	Less Wages			74 200				
	General expenses			1 300				
	Rates & insurance (2 800 **(1)** · ¾ **(1)**)			2 100				
	*Loan interest (400 **(1)** + 200 **(1)**)			600				
	Bad debts			300	**(1)**			
	Provision for doubtful debts (2% · 34 500)			690	**(1)**			
	Depreciation:							
	Fixtures & fittings (20% · (65 000 – 23 500))			8 300	**(1)**			
	Office equipment (21 000 + 2 800 – 20 600			3 200	**(1)**	90 690		
	Profit for the year					23 390	**(1)OF**	
	*Alternative calculation 1 200 **(1)** ÷ 2 = 600 **(1)**							
4(b)	Revenue for the year is matched against the costs of the same period. **(1)** **Example:** **Either** The loan interest was adjusted for the outstanding amount. **Or** The loss in value of non-current assets in the year was included. **Or** A provision for doubtful debts was created. **(1)**							**2**

Question	Answer	Marks
4(c)	The business is treated as being separate from the owner. **(1)** **Example** Rates and insurance for personal use were excluded. (1)	**2**
4(d)	Should compare with a business in the same trade. Should compare with a business of approximately the same size. Should compare with a business of the same type (sole trader). The financial statements may be for one year, which will not show trends. The financial statements may be for one year which is not a typical year. The financial year may end on different dates (when inventories are high/low). The businesses may apply different accounting policies. The statements do not show non-monetary factors. It may not be possible to obtain all the information needed to make comparisons. **Or other suitable points** **Any 2 points (1) for basic statement and (1) for development**	**4**

Question	Answer	Marks
5(a)	Ben Journal <table><tr><td></td><td>Debit $</td><td>Credit $</td><td></td></tr><tr><td>Inventory Shop fittings Cash Bank Loan Capital</td><td>15 200 14 300 500 32 400 62 400</td><td> 15 000 47 400 62 400</td><td>**}(1)** **}** **(1)** **(1)** **(1)** **(1)**</td></tr></table>	**5**
5(b)	Ben Journal <table><tr><td></td><td>Debit $</td><td>Credit $</td><td></td></tr><tr><td>Office equipment Equip Limited Purchase of office equipment on credit Drawings Purchases Goods taken for own use</td><td>1 900 430</td><td> 1 900 430</td><td>**(1)** **(1)** **(1)** **(1)** **(1)** **(1)**</td></tr></table>	**6**
5(c)	Capital expenditure: Money spent on acquiring, improving and installing non-current assets. **(1)** Any suitable example, such as purchase of premises. **(1)** Revenue expenditure: Money spent on running the business on a day-to-day basis. **(1)** Any suitable example, such as payment of wages. **(1)** Revenue receipts: Amounts received in the day-to-day trading activities from revenue and other items of income. **(1)** Any suitable example, such as rent received. **(1)**	**6**

Question	Answer	Marks
5(d)	(see table below)	8

	Effect on assets		Effect on liabilities		Effect on profit	
	Overstated	Understated	Overstated	Understated	Overstated	Understated
	$	$	$	$	$	$
Error 1	*550*	–	–	–	*450*	–
Error 2	–	–	–	375 **(2)**	375 **(2)**	–
Error 3	150 **(2)**				150 **(2)**	

For each entry – (1) for position and (1) for amount