Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

ACCOUNTING **0452/21**
Paper 2 **May/June 2019**
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 International will not enter into discussions about these mark schemes.

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This document consists of **16** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

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

Total received $	Date	Details			Total paid $	Travel $	Postage and stationery $	Ledger accounts $
	2019							
18	*April 1*	*Balance*	*b/d*					
102		Bank		**(1)**				
	3	Kenneth		**(1)**	58			58
	11	Taxi fare		**(1)**	14	14		
	15	Stationery		**(1)**	24		24	
	24	Bus fare		**(1)**	9	9		
					105	23	24	58
	30	Balance	c/d		15			
120					120			
	2019							
15	May 1	Balance	b/d	**(1) OF**				

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

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

Date	Details	Disc.	Cash	Bank	Date	Details	Disc.	Cash	Bank
2019		$	$	$	2019		$	$	$
April 1	*Balance b/d*		250		*April 1*	*Balance b/d*			*1119*
8	Elijah **(1)**	7		343		Petty cash **(1)**			102
28	Rent receivable **(1)**			100	19	Office expenses **(1)**			115
29	Sales **(1)**		20	800	27	Ziningi **(1)**	15		585
30	Balance c/d			678	30	Balance c/d		270	
		7	270	1921			15	270	1921
2019					2019				
May 1	Balance b/d		270 **(1) OF**		May 1	Balance b/d			678 **(1) OF**

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

Question	Answer	Marks
1(b)	Sabelo Bank Reconciliation Statement at 30 April 2019	**7**

	$		$	
Balance in cash book			(678)	**(1) OF**
Cheques not yet presented				
Office expenses	115	**(1)**		
Ziningi	585	**(1) OF**	700	
			22	
Amounts not yet credited				
Rent receivable	100	**(1)**		
Sales	800	**(1)**		
Bank error	240	**(1)**	(1140)	
Balance on bank statement			(1118)	**(1)**
Alternative presentation	$		$	
Balance on bank statement			(1118)	**(1)**
Amounts not yet credited				
Rent receivable	100	**(1)**		
Sales	800	**(1)**		
Bank error	240	**(1)**	1140	
			22	
Cheques not yet presented				
Offices expenses	115	**(1)**		
Ziningi	585	**(1) OF**	(700)	
Balance in cash book			(678)	**(1) OF**

Question	Answer	Marks
1(c)	1 No **(1)** **Either** Application of the realisation principle **(1)** **OR** Revenue is recognised when the legal liability to pay passes to the customer (not when goods are ordered) so no entry will be made when an order is received **(1)** 2 Yes **(1)** **Either** Application of the going concern principle **(1)** **Or** When it is known that the business is going to be discontinued it may be necessary to adjust the value of some assets to their expected sale values **(1)**	**4**

Question	Answer	Marks
2(a)(i)	Jade **(1)** To request a reduction in the invoice/to notify Adil of goods returned **(1)**	**2**
2(a)(ii)	Adil **(1)** To notify of a reduction in the invoice **(1)**	**2**
2(a)(iii)	Adil **(1)** To notify Jade of the amount owing at the end of the month **(1)**	**2**
2(b)	Jade Adil account	**6**

Date	Details	$	Date	Details	$
2019	Bank **(1)**		2019		
April 4	Discount **(1)**	429	April 1	Balance b/d **(1)**	440
	Returns **(1)**	11	12	Purchases **(1)**	420
20	Balance c/d	75			
30		345			
		860			860
			May 1	Balance b/d	345
				(1) OF	

Question	Answer	Marks
2(c)	$\frac{2800}{29600} \cdot \frac{365}{1}$ **} (1)** = 35 days **(1)**	**2**
2(d)	Will not have to allow cash discount May be able to charge interest on overdue amount **Or other suitable advantage** **Any advantage (1)** **OR – if answer to (c) is less than 29 days** Receive money quicker than previously May favourably affect cash flow Reduced risk of bad debts **Or other suitable advantage** **Any advantage (1)**	**1**
2(e)	Has to wait longer to receive the money May adversely affect cash flow position Increased risk of bad debts **Or other suitable disadvantage** **Any disadvantage (1)** **OR – if answer to (c) is less than 29 days** May have to allow cash discount Will not be able to charge interest in overdue amount **Or other suitable disadvantage** **Any disadvantage (1)**	**1**
2(f)	$\frac{2800}{29600} \cdot \frac{365}{1}$ **} (1)** = 29 days **(1)**	**2**

Question	Answer	Marks
2(g)	Satisfied **(1)** Jade paid more quickly than in the previous year/Jade paid within the credit period allowed (**1)** **Or other suitable comment** **OR – if answer to 2(f) is more than 35 days** Unsatisfied **(1)** Jade is taking longer to pay her accounts than in the previous year **(1)** **Or other suitable comment** **OR – if answer to 2(f) is between 31 days and 35 days** Satisfied **(1)** Jade is paying quicker than previously **(1)** **OR** Unsatisfied **(1)** Is still outside the credit period allowed **(1)** **Or other suitable comment**	**2**

Question	Answer	Marks
3(a)	Calculation of credit purchases	**5**

	$	
Payments to credit suppliers	14	**(1)**
	62	
	5	
Cash discount received	37	**(1)**
	5	
Returns to credit suppliers	21	**(1)**
	40	
Amount owing to credit suppliers 31 December 2018	14	**(1)**
	34	
Credit purchases	18	**(1) OF**
	57	
	4	

Alternative presentation

Total trade payables account

Date	Details	$	Date	Details	$
2018			2018		
Dec 31	Bank **(1)**	14 625	Dec 31	*Purchases **(1) OF**	18 574
	Discount recd **(1)**	375			
	Returns **(1)**	2 140			
	Balance c/d **(1)**	1 434			
		18 574			18 574
			2019		
			Jan 1	Balance b/d	1 434

Question	**Answer**	**Marks**
3(b)	Calculation of amount received from credit customers	**6**

	$		$	
Credit sales			21 640	**(1)**
Less Returns from credit customers	2 042	**(1)**		
Bad debts	380	**(1)**		
Cash Discount allowed	338	**(1)**		
Amount owed by credit customers	1 980	**(1)**	4 740	
Amount received from credit customers			16 900	**(1) OF**

Alternative presentation

Total trade receivables account

Date	Details		$	Date	Details		$
2018				2018			
Dec 31	Sales	**(1)**	21 640	Dec 31	*Bank	**(1) OF**	16 900
					Discount alld	**(1)**	338
					Returns	**(1)**	2 042
					Bad debts	**(1)**	380
					Balance c/d	**(1)**	1 980
			21 640				21 640
2019							
Jan 1	Balance b/d		1 980				

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(c)</td><td>Min
Bank account
<table>
<tr><th>Date</th><th>Details</th><th>$</th><th>Date</th><th>Details</th><th>$</th></tr>
<tr><td>2018</td><td></td><td></td><td>2018</td><td></td><td></td></tr>
<tr><td>Jan 1</td><td>Capital (1)</td><td>65 000</td><td>Dec 31</td><td>Non-current assets (1)</td><td>64 000</td></tr>
<tr><td>Dec 31</td><td>Loan (1)</td><td>5 000</td><td></td><td>Trade payables (1)</td><td>14 625</td></tr>
<tr><td></td><td>Trade receivables (1) OF</td><td>16 900</td><td></td><td>*Expenses (1) OF</td><td>2 883</td></tr>
<tr><td></td><td></td><td></td><td></td><td>Balance c/d (1)</td><td>5 392</td></tr>
<tr><td></td><td></td><td>86 900</td><td></td><td></td><td>86 900</td></tr>
<tr><td>2019</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Jan 1</td><td>Balance b/d</td><td>5 392</td><td></td><td></td><td></td></tr>
</table>
</td><td>7</td></tr>
<tr><td>3(d)</td><td>Full details are available about the assets, liabilities, revenues and expenses
The preparation of financial statements is easier/more accurate
The calculation profit or loss for the year is likely to be more reliable
More informed decision-making is possible
A greater degree of control can be exercised
The possibility of fraud is reduced
Detailed records are available for reference purposes
Information required by a bank/lender is readily available
Or other suitable points
Any 3 advantages (1) each</td><td>3</td></tr>
<tr><td>3(e)(i)</td><td>Check security available for any loan/overdraft
Check the ability of the business to repay any overdraft/loan when due
Check the ability of the business to pay any interest when due
Any 2 reasons (1) each</td><td>2</td></tr>
<tr><td>3(e)(ii)</td><td>Check the liquidity position
Check the likelihood of the account being paid
Check the trade payables payment period
To help determine the credit limit/the length of credit allowed
Any 2 reasons (1) each</td><td>2</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4(a)(i)</td><td>$\frac{425}{8\,500} \cdot \frac{100}{1} = 5\%$ (1)
Or can be calculated on other partner’s drawings to arrive at same percentage</td><td>1</td></tr>
<tr><td>4(a)(ii)</td><td>$\frac{3\,600}{60\,000} \cdot \frac{100}{1} = 6\%$ (1)
Or can be calculated on other partner’s capital to arrive at same percentage</td><td>1</td></tr>
<tr><td>4(b)</td><td>Liam and Mia
Current accounts
<table>
<tr><th>Date</th><th>Details</th><th>Liam
$</th><th>Mia
$</th><th>Date</th><th>Details</th><th>Liam
$</th><th>Mia
$</th></tr>
<tr><td>2018</td><td></td><td></td><td></td><td>2018</td><td></td><td></td><td></td></tr>
<tr><td>Feb 1</td><td>Balance b/d</td><td></td><td>2 140</td><td>Feb 1</td><td>Balance b/d</td><td>44 500</td><td></td></tr>
<tr><td>Aug 1</td><td>Capital (1)</td><td>14 000</td><td></td><td>2019</td><td></td><td></td><td></td></tr>
<tr><td>2019</td><td></td><td></td><td></td><td>Jan 31</td><td>Interest on capital (1)</td><td>10 200</td><td>3 600</td></tr>
<tr><td>Jan 31</td><td>Drawings (1)</td><td>19 100</td><td>8 500</td><td></td><td>Salary (1)</td><td></td><td>15 000</td></tr>
<tr><td></td><td>Interest on drawings (1)</td><td>955</td><td>425</td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>Share of loss (1)</td><td>2 120</td><td>1 060</td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>Balances c/d</td><td>18 525</td><td>6 475</td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td>54 700</td><td>18 600</td><td></td><td></td><td>54 700</td><td>18 600</td></tr>
<tr><td></td><td></td><td></td><td></td><td>2019</td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td>Feb 1</td><td>Balances b/d</td><td>18 525
(1) OF</td><td>6 475
(1) OF</td></tr>
</table>
+(1) dates</td><td>9</td></tr>
</table>

Question	Answer	Marks
4(c)	(38 440 + 42 060) : (36 250 + 14 150) = 80 500 : 50 400 **(1) whole formula** = 1.60 : 1 **(1)**	**2**
4(d)	42 060 : (36 250 + 14 150) = 42 060 : 50 400 **(1) whole formula** = 0.83 : 1 **(1)**	**2**
4(e)(i)	Method Obtain long-term loan Sell non-current assets Introduce a new partner **Or other suitable method – excluding increase capital** **Any 1 method (1)** Reason There would be an decrease in the current liabilities (bank overdraft) so both the current ratio and the quick ratio will increase**(1)**	**2**
4(e)(ii)	Current ratio – no change as inventory decreases and trade receivables/bank increase by same amount **(1)** Quick ratio – increases as the decrease in inventory does not affect liquid assets, but increase in trade receivables/bank does affect the liquid assets **(1)**	**2**
4(f)	How much capital will he contribute? Will the annual profit be increased/loss reduced with the injection of more capital? What share of profit/loss will he be offered? Will he be offered a salary? How will the workload/responsibilities be shared? Will three partners be too many for the size of the business? What areas of expertise will he bring to the partnership? Will they be able to work together without disputes arising? **Or other relevant factors** **Any 4 factors (1) each**	**4**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>
Nadia
Journal
<table>
<tr><th>Details</th><th>Debit
$</th><th>Credit
$</th><th></th></tr>
<tr><td>Bank charges</td><td></td><td></td><td>(1)</td></tr>
<tr><td>Bank</td><td>21</td><td>21</td><td>(1)</td></tr>
<tr><td>Zahoor</td><td>100</td><td></td><td>(1)</td></tr>
<tr><td>Sales</td><td></td><td>100</td><td>(1)</td></tr>
</table>
</td><td>4</td></tr>
<tr><td>5(b)</td><td>
Nadia
Statement of corrected profit for the year ended 31 March 2019
<table>
<tr><td></td><td></td><td></td><td></td><td></td><td>$</td><td></td></tr>
<tr><td>Data profit for the year before corrections</td><td></td><td></td><td></td><td></td><td>3 330</td><td></td></tr>
<tr><td></td><td>Increase in profit
$</td><td></td><td>Decrease in profit
$</td><td></td><td></td><td></td></tr>
<tr><td>Error 1</td><td></td><td></td><td>21</td><td>(1)</td><td></td><td></td></tr>
<tr><td>Error 2</td><td>100</td><td>(1)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Error 3</td><td></td><td></td><td>10</td><td>(1)</td><td></td><td></td></tr>
<tr><td>Error 4</td><td></td><td></td><td>199</td><td>(1)</td><td></td><td></td></tr>
<tr><td>Error 5</td><td></td><td></td><td>62</td><td>(1)</td><td></td><td></td></tr>
<tr><td>Error 6</td><td></td><td></td><td>90</td><td>(1)</td><td></td><td></td></tr>
<tr><td>Error 7</td><td>400</td><td>(1)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Error 8</td><td></td><td></td><td>960</td><td>(1)</td><td></td><td></td></tr>
<tr><td></td><td>500</td><td></td><td>1 342</td><td></td><td>842</td><td></td></tr>
<tr><td>Corrected profit for the year</td><td></td><td></td><td></td><td></td><td>2 488</td><td>(1) OF</td></tr>
</table>
</td><td>9</td></tr>
</table>

Question	**Answer**	**Marks**
5(c)	Nadia Corrected Statement of Financial Position at 31 March 2019	**9**

	$	$		$	
Assets					
Non-current assets	Cost	Accumulated depreciation		Book value	
Premises	31 000			31 000	
Other non-current assets	9 600	960		8 640	**(1) OF**
	40 600	960		39 640	**(1) OF if have headings for the 3 columns**
Current assets					
Inventory (3170–199)				2 971	**(1) OF**
Trade receivables (3000 + 100)		3 100	**(1)**		
Less Provision for doubtful debts		62	**(1) OF**	3 038	
Other receivables				400	**(1) OF**
Cash				200	
				6 609	
Total assets				46 249	
Capital					
Opening balance				50 000	
Plus Profit for the year				2 488	**(1) OF**
				52 488	
Less Drawings				10 350	
				42 138	**(1) OF**
Current liabilities					
Trade payables				2 680	
Bank (1410 + 21)				1 431	**(1)**
				4 111	
Total capital and liabilities				46 249	