



Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

ACCOUNTING

0452/11

Paper 1

October/November 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.

Cambridge International is publishing the mark schemes for the October/November 2019 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

This document consists of **17** 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)	B	1
1(b)	D	1
1(c)	A	1
1(d)	B	1
1(e)	A	1
1(f)	A	1
1(g)	C	1
1(h)	D	1
1(i)	D	1
1(j)	B	1

Question	Answer	Marks
	Glossary (d) A $\frac{1}{3} \cdot 4200 = 1400 - 22\% = 1092$ B $1400 - 20\% = 1120$ C $1400 - 2\% = 1372$ D $\frac{1}{3} \cdot 4200 = 1400$ (g) C of S = 34 GP = 10 P for yr. = 4 A $\frac{4}{44} \cdot 100 = 9.09$ B $\frac{4}{34} \cdot 100 = 11.76$ C $\frac{10}{44} \cdot 100 = 22.73$ D $\frac{10}{34} \cdot 100 = 29.41$ (j) A book value after 5 years $(18\,000 - (5 \cdot 2700)) = 4500$ B book value after 4 years $(18\,000 - (4 \cdot 2700)) = 7200$ C dep for 4 years $(4 \cdot 2700) = 10\,800$ D dep for 5 years $(5 \cdot 2700) = 13\,500$	

Question	Answer		Marks										
2(a)	(i) \$59 (1) (ii) \$826 (1) (iii) \$3304 (1)		3										
2(b)	Kadir		1										
2(c)	Goods returned not as ordered Goods returned as damaged/faulty Or other suitable reason – excluding overcharge Any 1 reason (1)		1										
2(d)	The amount on the credit note must equal the amount originally charged for those goods, so trade discount must be deducted from the list price. (1) Trade discount was deducted on invoice or when purchased. (1)		1										
2(e)	<table><tr><td>book of prime (original) entry used by Aisha</td><td>book of prime (original) entry used by Kadir</td></tr><tr><td>purchases returns journal (1)</td><td>sales returns journal (1)</td></tr></table>	book of prime (original) entry used by Aisha	book of prime (original) entry used by Kadir	purchases returns journal (1)	sales returns journal (1)		2						
book of prime (original) entry used by Aisha	book of prime (original) entry used by Kadir												
purchases returns journal (1)	sales returns journal (1)												
2(f)	<table><tr><td>document</td><td>book of prime (original) entry used by Aisha</td></tr><tr><td>invoice</td><td>purchases journal (1)</td></tr><tr><td>debit note</td><td>no entry (1)</td></tr><tr><td>cheque</td><td>cash book (1)</td></tr><tr><td>statement of account</td><td>no entry (1)</td></tr></table>	document	book of prime (original) entry used by Aisha	invoice	purchases journal (1)	debit note	no entry (1)	cheque	cash book (1)	statement of account	no entry (1)		4
document	book of prime (original) entry used by Aisha												
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debit note	no entry (1)												
cheque	cash book (1)												
statement of account	no entry (1)												

Question	Answer						Marks
2(g)	Aisha Kadir account						7
	Date 2019 Sept 18 27 30	Details Returns (1)OF Bank (1) Discount (1) Balance c/d	\$ 3304 3332 68 <u>5656</u> <u>12 360</u>	Date 2019 Sept 1 4 2019 Oct 1	Details Balance b/d (1) Purchases (1) Balance b/d (1)OF	\$ 3400 8960 <u>12 360</u> 5656	
	(1) Dates						
2(h)	Purchases (ledger) or trade payables						1

Question	Answer	Marks										
3(a)	They can assist in locating errors They are proof of the arithmetical accuracy of the ledgers which they control They provide instant totals of the trade payables and the trade receivables They enable a draft statement of financial position to be prepared quickly or financial statements They can help to reduce fraud They provide a summary of the transactions affecting the trade payables and the trade receivables Any 2 advantages (1) each	2										
3(b)	<table><tr><td></td><td>book of prime (original) entry</td></tr><tr><td>purchases returns</td><td>purchases returns journal (1)</td></tr><tr><td>contra entry</td><td>general or nominal journal (1)</td></tr><tr><td>discount received</td><td>cash book (1)</td></tr><tr><td>interest charged on overdue account</td><td>general or nominal journal (1)</td></tr></table>		book of prime (original) entry	purchases returns	purchases returns journal (1)	contra entry	general or nominal journal (1)	discount received	cash book (1)	interest charged on overdue account	general or nominal journal (1)	4
	book of prime (original) entry											
purchases returns	purchases returns journal (1)											
contra entry	general or nominal journal (1)											
discount received	cash book (1)											
interest charged on overdue account	general or nominal journal (1)											
3(c)	Meaning A contra entry is an entry which appears in the purchases ledger control account (debit side) and also in the sales ledger control account (credit side) (1) Reason The entry is made when a sales ledger account is set off against a purchases ledger account of the same person/business (1) Same person is the buyer and seller (1) Any 2 reasons (1) each	2										
3(d)	Overpayment made to credit supplier Returned goods after paying the balance of the account Made payment without deducting the cash discount to which entitled Paid credit supplier in advance/prepayment/paid deposit Contra entry larger than the balance owed Any 2 reasons (1) each	2										

Question	Answer						Marks																																													
3(e)	Timothy Sales ledger control account account						9																																													
	<table><tr><th>Date 2019</th><th>Details</th><th>\$</th></tr><tr><td>Oct 1</td><td>Balance b/d</td><td>6530</td></tr><tr><td>31</td><td>Sales (1)</td><td>7860</td></tr><tr><td></td><td>Interest (1)</td><td>15</td></tr><tr><td></td><td>Balance c/d</td><td>80</td></tr><tr><td></td><td></td><td><u>14 485</u></td></tr><tr><td>2019 Nov 1</td><td>Balance b/d (1)OF</td><td>7630</td></tr></table>	Date 2019	Details	\$	Oct 1	Balance b/d		6530	31	Sales (1)	7860		Interest (1)	15		Balance c/d	80			<u>14 485</u>	2019 Nov 1	Balance b/d (1)OF	7630	<table><tr><th>Date 2019</th><th>Details</th><th>\$</th></tr><tr><td>Oct 1</td><td>Balance b/d</td><td>110</td></tr><tr><td>31</td><td>Bank/cash (1)</td><td>5782</td></tr><tr><td></td><td>Discount (1)</td><td>118</td></tr><tr><td></td><td>Returns (1)</td><td>285</td></tr><tr><td></td><td>Bad debts (1)</td><td>260</td></tr><tr><td></td><td>Contra(PLCA) (1)</td><td>300</td></tr><tr><td></td><td>Balance c/d</td><td><u>7630</u></td></tr><tr><td></td><td></td><td><u>14 485</u></td></tr><tr><td>2019 Nov 1</td><td>Balance b/d (1)</td><td>80</td></tr></table>	Date 2019	Details	\$	Oct 1	Balance b/d	110	31	Bank/cash (1)	5782		Discount (1)	118		Returns (1)	285		Bad debts (1)	260		Contra(PLCA) (1)	300		Balance c/d	<u>7630</u>			<u>14 485</u>	2019 Nov 1
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Question	Answer					Marks
4(a)	Abiola General Journal					5
	Date 2017	Details	Debit \$	Credit \$		
	Sept 1	Inventory } (1) Fixtures and fittings } Bank (1) Loan (1) Capital (1) Assets, liabilities and capital at this date or balances on assets, liabilities and capital or record the start of the business (1)	6600 11 750 31 650	10 000 40 000		
4(b)	To explain the reasons for the entries which are to be made in the ledger (1) Journal entries sometimes involve 'out of the ordinary' transactions (1) It is impossible to remember the reason for every entry (1) Transaction to be understood (1) Any 2 reasons (1) each					2

Question	Answer					Marks	
4(c)	Abiola General Journal					4	
	Date 2018	Details	Debit \$	Credit \$			
	Mar 1	Motor vehicles (1) Capital (1)	12 000	12 000			
	Mar 1	Drawings (1) Purchases (1)	450	450			
4(d)	Abiola Rent payable account					5	
	Date 2018	Details	\$	Date 2018	Details		\$
	Sept 2	Bank }	3000	Sept 1	Balance b/d (1)		500
	2019	}		2019			
	Feb 3	Bank }(1)	3000	Aug 31	Income statement (1)OF		6000
	Aug 6	Bank }	1500		Balance c/d		<u>1000</u>
			<u>7500</u>				<u>7500</u>
	2019						
	Sept 1	Balance b/d (1)	1000				
	(1) Dates						

Question	Answer	Marks																																																																		
4(e)	Only the rent relating to the current year or correct amount is transferred to the income statement (1) This ensures that the profit for the year is shown at a more accurate figure (1) This ensures that the expenses for the year are matched against the revenue for the year (1) Accrued rent payable at the start of the year and prepaid at the end are not included (1) Any 2 reasons (1) each	2																																																																		
4(f)	Abiola Commission receivable account <table><tr><td>Date</td><td>Details</td><td>\$</td><td>Date</td><td>Details</td><td>\$</td></tr><tr><td>2018</td><td></td><td></td><td>2018</td><td></td><td></td></tr><tr><td>Sept 1</td><td>Balance b/d (1)</td><td>350</td><td>Sept 30</td><td>Bank }</td><td>350</td></tr><tr><td>2019</td><td></td><td></td><td>2019</td><td>}</td><td></td></tr><tr><td>Aug 31</td><td>Income statement (1)OF</td><td>1600</td><td>Jan 31</td><td>Bank }(1)</td><td>425</td></tr><tr><td></td><td></td><td></td><td>Apl 30</td><td>Bank }</td><td>395</td></tr><tr><td></td><td></td><td></td><td>July 31</td><td>Bank }</td><td>470</td></tr><tr><td></td><td></td><td></td><td>Aug 31</td><td>Balance c/d</td><td><u>310</u></td></tr><tr><td></td><td></td><td><u>1950</u></td><td></td><td></td><td><u>1950</u></td></tr><tr><td>2019</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Sept 1</td><td>Balance b/d (1)</td><td>310</td><td></td><td></td><td></td></tr></table> (1) Dates	Date	Details	\$	Date	Details	\$	2018			2018			Sept 1	Balance b/d (1)	350	Sept 30	Bank }	350	2019			2019	}		Aug 31	Income statement (1)OF	1600	Jan 31	Bank }(1)	425				Apl 30	Bank }	395				July 31	Bank }	470				Aug 31	Balance c/d	<u>310</u>			<u>1950</u>			<u>1950</u>	2019						Sept 1	Balance b/d (1)	310				5
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Question	Answer	Marks																																				
5(a)	Amounts paid by members of a club/society to use the facilities provided by that club/society	1																																				
5(b)	\$ Subscriptions due for the year (50 · \$85) 4250 (1) Add amount prepaid for following year (10 · \$85) 850 (1) 5100 Less amount prepaid at start of year (14 · \$85) 1190 (1) 3910 Less amount unpaid at end of year (22 · \$85) 1870 (1) 2040 (1)OF Subscriptions received during the year Alternative presentation KW Club Subscriptions account <table><tr><th>Date</th><th>Details</th><th>\$</th><th>Date</th><th>Details</th><th>\$</th></tr><tr><td>2019</td><td></td><td></td><td>2018</td><td></td><td></td></tr><tr><td>Sept 30</td><td>Income and expenditure (1)</td><td>4250</td><td>Oct 1</td><td>Balance b/d (1)</td><td>1190</td></tr><tr><td></td><td>Balance c/d (1)</td><td>850</td><td>2019</td><td>Bank/cash (1)OF</td><td>2040</td></tr><tr><td></td><td></td><td><u>5100</u></td><td>Sept 30</td><td>Balance c/d (1)</td><td><u>1870</u></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td><u>5100</u></td></tr></table>	Date	Details	\$	Date	Details	\$	2019			2018			Sept 30	Income and expenditure (1)	4250	Oct 1	Balance b/d (1)	1190		Balance c/d (1)	850	2019	Bank/cash (1)OF	2040			<u>5100</u>	Sept 30	Balance c/d (1)	<u>1870</u>						<u>5100</u>	5
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5(c)	If all members pay the bank balance should improve (1) by \$1000 or \$4250 to \$5250 (1) Should reduce deficit/increase surplus or increase income (1) by \$1000 or \$4250 to \$5250 (1) May mean that more members are late in paying their subscription or subscriptions accrued increases (1) already have 22 members who are in arrears (1) May mean that members leave the club (1) if they cannot afford the extra amount or if can find a similar cheaper club (1) Or other acceptable comments Any 4 comments	4																																				

Question	Answer				Marks	
5(d)	Possible answers include:				4	
	Income and expenditure account		Receipts and payments account			
	Equivalent to income statement		Summary of a cash book			
	Used to calculate surplus or deficit		Shows the bank balance			
	Items adjusted for accruals and payments		Requires payments and receipts irrespective of period			
	Includes only revenue items		Includes capital (non-current assets) and revenue items			
	Includes non-cash items eg depreciation		Includes all cash items not depreciation			
	Max 4 marks (1 mark for each relevant statement) Accept other valid points.					
5(e)	error		effect of effort on the deficit		5	
			overstated	understated		no effect
	the total of the income from a sports competition was understated		✓(1)			
	no entry had been made for bank charges			✓(1)		
	proceeds of sale of club equipment were included in the income			✓(1)		
	no adjustment was made of club shop wages accrued at the year-end			✓(1)		
	shop rent was charged to the income and expenditure account instead of the shop income statement					✓(1)

Question	Answer				Marks																																							
6(a)	Amrit Income Statement for the year ended 31 July 2019 <table><tr><td></td><td>\$</td><td>\$</td></tr><tr><td>Fees from clients</td><td></td><td>58 800 (1)</td></tr><tr><td>Rent receivable</td><td></td><td><u>3000 (1)</u></td></tr><tr><td></td><td></td><td>61 800</td></tr><tr><td>Bad debts 80 (1) + 150 (1)</td><td>230</td><td></td></tr><tr><td>Provision for doubtful debts 135 (1) – 100 (1)</td><td>35</td><td></td></tr><tr><td>Insurance 2100 (1) – 300 (1)</td><td>1800</td><td></td></tr><tr><td>Wages 38 000 (1) + 1500 (1)</td><td>39 500</td><td></td></tr><tr><td>Operating expenses</td><td>6500 (1)</td><td></td></tr><tr><td>Depreciation Office equipment (20% · 16 000 – 3200)</td><td><u>2560 (1)</u></td><td><u>50 625</u></td></tr><tr><td>Profit from operations</td><td></td><td>11 175</td></tr><tr><td>Loan interest 5% · 15 000</td><td></td><td><u>750 (1)</u></td></tr><tr><td>Profit for the year</td><td></td><td><u>10 425 (1)</u>OF</td></tr></table>					\$	\$	Fees from clients		58 800 (1)	Rent receivable		<u>3000 (1)</u>			61 800	Bad debts 80 (1) + 150 (1)	230		Provision for doubtful debts 135 (1) – 100 (1)	35		Insurance 2100 (1) – 300 (1)	1800		Wages 38 000 (1) + 1500 (1)	39 500		Operating expenses	6500 (1)		Depreciation Office equipment (20% · 16 000 – 3200)	<u>2560 (1)</u>	<u>50 625</u>	Profit from operations		11 175	Loan interest 5% · 15 000		<u>750 (1)</u>	Profit for the year		<u>10 425 (1)</u> OF	14
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6(b)	<table><tr><td></td><td>increase</td><td>decrease</td><td>no effect</td></tr><tr><td>extend the loan for a further 2 years</td><td>✓(1)</td><td></td><td></td></tr><tr><td>ask the bank to extend the overdraft facility</td><td></td><td></td><td>✓(1)</td></tr><tr><td>purchase new office equipment on credit</td><td></td><td>✓(1)</td><td></td></tr></table>					increase	decrease	no effect	extend the loan for a further 2 years	✓(1)			ask the bank to extend the overdraft facility			✓(1)	purchase new office equipment on credit		✓(1)		3																							
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6(c)	Higher profit Lower capital employed/lower capital/lower long term liabilities Any 2 reasons (1) each				2																																							

Question	Answer	Marks
6(d)	Share losses Share responsibilities Share or spread risks Share decision-making Additional finance or capital may be available Additional skills and experience are available Any 2 advantages (1) each	2
6(e)	Share profits Decisions must be recognised by all partners Decisions may take longer to implement One partner's actions can bind the other partners Disagreements can occur All partners are responsible for the debts of the business Other partner takes too much drawings Do not have full control Any 2 disadvantages (1) each	2

Question	Answer			Marks
6(f)	Amrit and Neena Estimated Profit and Loss Appropriation Account for the year ending 31 July 2019			6
		\$	\$	
	Estimated profit for the year		15 500	
	Interest on drawings Amrit	210 (1)		
	Neena	<u>150 (1)</u>	<u>360</u>	
			15 860	
	Interest on capital Amrit	3200 (1)		
	Neena	<u>2400 (1)</u>		
		5600		
	Partnership salary Amrit	<u>6000</u>	<u>11 600</u>	
		4260		
Share of profit Amrit	2556 (1)OF			
Neena	<u>1704 (1)OF</u>	<u>4260</u>		