



Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

ACCOUNTING

0452/22

Paper 2

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 **20** 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)	Tebogo Sales Journal <table><tr><th>Date</th><th>Details</th><th>\$</th><th>\$</th><th></th></tr><tr><td>2019 Aug 6</td><td>Kayla Less 20% trade discount</td><td>1400 <u>280</u></td><td>1120</td><td>(1)</td></tr><tr><td>18</td><td>Nyack</td><td></td><td>620</td><td>}</td></tr><tr><td>30</td><td>Kayla</td><td></td><td>160</td><td>}(1)</td></tr><tr><td>31</td><td>Transfer to sales account</td><td></td><td><u>1900</u></td><td>} OF</td></tr></table> Tebogo Sales Returns Journal <table><tr><th>Date</th><th>Details</th><th>\$</th><th>\$</th><th></th></tr><tr><td>2019 Aug 12</td><td>Kayla Less 20% trade discount</td><td>300 <u>60</u></td><td>240</td><td>(1)</td></tr><tr><td>24</td><td>Nyack</td><td></td><td>155</td><td>}</td></tr><tr><td>31</td><td>Transfer to sales returns account</td><td></td><td><u>395</u></td><td>}(1) OF</td></tr></table>	Date	Details	\$	\$		2019 Aug 6	Kayla Less 20% trade discount	1400 <u>280</u>	1120	(1)	18	Nyack		620	}	30	Kayla		160	}(1)	31	Transfer to sales account		<u>1900</u>	} OF	Date	Details	\$	\$		2019 Aug 12	Kayla Less 20% trade discount	300 <u>60</u>	240	(1)	24	Nyack		155	}	31	Transfer to sales returns account		<u>395</u>	}(1) OF	5
Date	Details	\$	\$																																												
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18	Nyack		620	}																																											
30	Kayla		160	}(1)																																											
31	Transfer to sales account		<u>1900</u>	} OF																																											
Date	Details	\$	\$																																												
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24	Nyack		155	}																																											
31	Transfer to sales returns account		<u>395</u>	}(1) OF																																											

Question	Answer	Marks																																																																		
1(b)	Tebogo Kayla account <table><tr><td>Date 2019 Aug 1</td><td>Details Balance b/d</td><td>\$ 900</td><td>Date 2019 Aug 12</td><td>Details Sales returns</td><td>\$</td></tr><tr><td>6</td><td>Sales OF }(1)</td><td>1120</td><td></td><td>(1)OF</td><td>240</td></tr><tr><td>30</td><td>Sales CF }</td><td>160</td><td>29</td><td>Bank }(1)</td><td>882</td></tr><tr><td></td><td></td><td></td><td></td><td>Discount }</td><td>18</td></tr><tr><td></td><td></td><td></td><td>31</td><td>Balance c/d</td><td><u>1040</u></td></tr><tr><td></td><td></td><td><u>2180</u></td><td></td><td></td><td><u>2180</u></td></tr><tr><td>2019 Sept 1</td><td>Balance b/d (1)OF</td><td>1040</td><td></td><td></td><td></td></tr></table> Sales account <table><tr><td>Date 2019 Aug 31</td><td>Details Income statement</td><td>\$</td><td>Date 2019 Aug 1</td><td>Details Total sales to date</td><td>\$</td></tr><tr><td></td><td>(1)OF</td><td><u>23 300</u></td><td>31</td><td>Total for month</td><td>21 400</td></tr><tr><td></td><td></td><td><u>23 300</u></td><td></td><td>(1)OF</td><td><u>1900</u></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td><u>23 300</u></td></tr></table>	Date 2019 Aug 1	Details Balance b/d	\$ 900	Date 2019 Aug 12	Details Sales returns	\$	6	Sales OF } (1)	1120		(1)OF	240	30	Sales CF }	160	29	Bank }(1)	882					Discount }	18				31	Balance c/d	<u>1040</u>			<u>2180</u>			<u>2180</u>	2019 Sept 1	Balance b/d (1)OF	1040				Date 2019 Aug 31	Details Income statement	\$	Date 2019 Aug 1	Details Total sales to date	\$		(1)OF	<u>23 300</u>	31	Total for month	21 400			<u>23 300</u>		(1)OF	<u>1900</u>						<u>23 300</u>	8
Date 2019 Aug 1	Details Balance b/d	\$ 900	Date 2019 Aug 12	Details Sales returns	\$																																																															
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Question	Answer	Marks												
1(b)	Sales returns account <table><tr><td>Date 2019 Aug 1</td><td>Details Total returns to date</td><td>\$ 1560</td><td>Date 2019 Aug 31</td><td>Details Income statement</td><td>\$</td></tr><tr><td>31</td><td>Total for month (1)OF</td><td><u>395</u> <u>1955</u></td><td></td><td>(1)OF</td><td>1955 <u>1955</u></td></tr></table>	Date 2019 Aug 1	Details Total returns to date	\$ 1560	Date 2019 Aug 31	Details Income statement	\$	31	Total for month (1)OF	<u>395</u> <u>1955</u>		(1)OF	1955 <u>1955</u>	
Date 2019 Aug 1	Details Total returns to date	\$ 1560	Date 2019 Aug 31	Details Income statement	\$									
31	Total for month (1)OF	<u>395</u> <u>1955</u>		(1)OF	1955 <u>1955</u>									
1(c)(i)	Effect on profit – May increase (1) Reason – amount of discount allowed/expense decreases (1) OR Credit customers may not pay in time to receive cash discount as incentive of cash discount now reduced (1) OR Effect on profit – May decrease (1) Reason – credit customers may find another supplier offering better terms (1) Or other suitable reason	2												

Question	Answer	Marks
1(c)(ii)	Effect on liquidity – May decrease (1) Reason – Credit customers may take longer to pay as incentive of cash discount now reduced (1) OR Credit customers may find another supplier offering better terms (1) OR Effect on liquidity – May increase (1) Reason – Credit customers will pay more because cash discount reduced (1) Or Credit customers may pay quicker as credit period reduced (1) Or other suitable reason	2

Question	Answer				Marks
2(a)		Payment	Capital expenditure	Revenue expenditure	6
		Premises	✓}(1)		
		Office furniture	✓}		
		Carriage on office furniture	✓(1)		
		Stationery and small office equipment		✓(1)	
		Legal expenses on purchase of premises	✓(1)		
		Computer equipment	✓}(1)		
		Installation of computer equipment	✓}		
		Ink cartridges and printer paper		✓(1)	
2(b)	Straight line (fixed instalment) Revaluation Any 1 method (1)				1

Question	Answer	Marks																																								
2(c)	Amelia Computer equipment account <table><tr><td>Date 2017 April 1</td><td>Details Bank</td><td>(1)</td><td>\$ 1700</td></tr></table> Provision for depreciation of computer equipment account <table><tr><td>Date 2018 Mar 31</td><td>Details Balance c/d</td><td>\$ 510</td><td>Date 2018 Mar 31</td><td>Details Income statement (1)OF</td><td>\$ <u>510</u></td></tr><tr><td></td><td></td><td><u>510</u></td><td></td><td></td><td><u>510</u></td></tr><tr><td>2019 Mar 31</td><td>Balance c/d</td><td>867</td><td>2018 April 1</td><td>Balance b/d (1)OF</td><td>510</td></tr><tr><td></td><td></td><td></td><td>2019 Mar 31</td><td>Income statement (1)OF</td><td><u>357</u></td></tr><tr><td></td><td></td><td><u>867</u></td><td></td><td></td><td><u>867</u></td></tr><tr><td></td><td></td><td></td><td>2019 April 1</td><td>Balance b/d (1)OF</td><td>867</td></tr></table> + (1) Dates	Date 2017 April 1	Details Bank	(1)	\$ 1700	Date 2018 Mar 31	Details Balance c/d	\$ 510	Date 2018 Mar 31	Details Income statement (1)OF	\$ <u>510</u>			<u>510</u>			<u>510</u>	2019 Mar 31	Balance c/d	867	2018 April 1	Balance b/d (1)OF	510				2019 Mar 31	Income statement (1)OF	<u>357</u>			<u>867</u>			<u>867</u>				2019 April 1	Balance b/d (1)OF	867	6
Date 2017 April 1	Details Bank	(1)	\$ 1700																																							
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			2019 April 1	Balance b/d (1)OF	867																																					

Question	Answer	Marks
2(d)	\$ Cost (3450 + 50) 3500 Deprecation for year ended 31 March 2018 <u>700</u> (1) 2800 Deprecation for year ended 31 March 2019 <u>560</u>(1) Total depreciation \$700 + \$560 = \$1260 (1)OF	3
2(e)	\$ Cost 3500 (1) Depreciation <u>1260</u> (1)OF 2240 Proceeds of sale <u>1750</u> Loss (1) on disposal <u>490</u> (1)OF	4

Question	Answer	Marks									
3(a)	KS Sports Club Subscriptions account <table> <tr> <td>Date 2018 Aug 1 2019 July 31</td><td>Details Balance b/d (1) Income and expenditure (1) Balance c/d</td><td>\$ 250 7500 <u>200</u> <u>7950</u></td></tr> <tr> <td>Date 2018 Aug 1 2019 31 July</td><td>Details Balance b/d (1) Bank/cash (1)OF</td><td>\$ 100 7850 <u>7950</u></td></tr> <tr> <td>2019 Aug 1</td><td>Balance b/d (1)</td><td>200</td></tr> </table> + (1) Dates	Date 2018 Aug 1 2019 July 31	Details Balance b/d (1) Income and expenditure (1) Balance c/d	\$ 250 7500 <u>200</u> <u>7950</u>	Date 2018 Aug 1 2019 31 July	Details Balance b/d (1) Bank/cash (1)OF	\$ 100 7850 <u>7950</u>	2019 Aug 1	Balance b/d (1)	200	6
Date 2018 Aug 1 2019 July 31	Details Balance b/d (1) Income and expenditure (1) Balance c/d	\$ 250 7500 <u>200</u> <u>7950</u>									
Date 2018 Aug 1 2019 31 July	Details Balance b/d (1) Bank/cash (1)OF	\$ 100 7850 <u>7950</u>									
2019 Aug 1	Balance b/d (1)	200									

Question	Answer	Marks																																																																		
3(b)	KS Sports Club Receipts and Payments Account for the year ended 31 July 2019 <table><tr><th>Date 2019 July 31</th><th>Details</th><th>\$</th><th>Date 2018 Aug 1 2019 July 31</th><th>Details</th><th>\$</th></tr><tr><td></td><td>Subscriptions</td><td>7850</td><td></td><td>Balance b/d (1)OF</td><td>2620</td></tr><tr><td></td><td>Loan (1)</td><td>1000</td><td></td><td>AB Loan (1)</td><td>2000</td></tr><tr><td></td><td>Disposal of equipment (1)</td><td>870</td><td></td><td>Loan interest (1)</td><td>100</td></tr><tr><td></td><td>Tournament receipts (1)</td><td>525</td><td></td><td>General expenses (1)</td><td>435</td></tr><tr><td></td><td>Balance c/d</td><td>2730</td><td></td><td>Rates and insurance (1)</td><td>3120</td></tr><tr><td></td><td></td><td></td><td></td><td>Sports equipment (1)</td><td>4150</td></tr><tr><td></td><td></td><td></td><td></td><td>Equipment repairs (1)</td><td>215</td></tr><tr><td></td><td></td><td></td><td></td><td>Tournament expenses (1)</td><td>335</td></tr><tr><td></td><td></td><td><u>12 975</u></td><td></td><td></td><td><u>12 975</u></td></tr><tr><td></td><td></td><td></td><td>2019 Aug 1</td><td>Balance b/d (1)OF</td><td>2730</td></tr></table>	Date 2019 July 31	Details	\$	Date 2018 Aug 1 2019 July 31	Details	\$		Subscriptions	7850		Balance b/d (1)OF	2620		Loan (1)	1000		AB Loan (1)	2000		Disposal of equipment (1)	870		Loan interest (1)	100		Tournament receipts (1)	525		General expenses (1)	435		Balance c/d	2730		Rates and insurance (1)	3120					Sports equipment (1)	4150					Equipment repairs (1)	215					Tournament expenses (1)	335			<u>12 975</u>			<u>12 975</u>				2019 Aug 1	Balance b/d (1)OF	2730	13
Date 2019 July 31	Details	\$	Date 2018 Aug 1 2019 July 31	Details	\$																																																															
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Question	Answer				Marks
4(a)	Mariam Statement of Affairs at 30 September 2019				15
	Assets	\$	\$	\$	
	Non-current assets	Cost	Accumulated depreciation	Book value	
	Premises	80 000		80 000	
	Fixtures and fittings	7800	1170 (1)	6630(1)OF	
	Motor vehicle	<u>10 000</u>	<u>2000 (1)</u>	<u>8000(1)OF</u>	
		<u>97 800</u>	<u>3170</u>	<u>94 630(1)OF</u>	
	Current assets				
	Inventory			5840 (1)	
	Trade receivables		6450		
	Less Debt written off		<u>150</u>		
			6300 (1)		
	Less Provision for doubtful debts		<u>315 (1)</u>	5985(1)OF	
	Bank			<u>6787(1)</u>	
				<u>18 612</u>	
	Total assets			<u>113 242</u>	
	Capital and liabilities				
	Capital account			<u>91 882(1)OF</u>	
	Non-current liabilities				
	Loan			<u>7000 (1)</u>	

Question	Answer						Marks																																										
4(a)	<table><tr><td>Current Liabilities</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Trade payables</td><td></td><td></td><td></td><td></td><td>7100(1)</td></tr><tr><td>Other payables</td><td></td><td></td><td></td><td></td><td>260 (1)</td></tr><tr><td>Short term loan</td><td></td><td></td><td></td><td></td><td><u>7000(1)</u></td></tr><tr><td colspan="6"></td></tr><tr><td>Total capital and liabilities</td><td></td><td></td><td></td><td></td><td><u>14 360</u></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td><u>113 242</u></td></tr></table>						Current Liabilities						Trade payables					7100 (1)	Other payables					260 (1)	Short term loan					<u>7000(1)</u>							Total capital and liabilities					<u>14 360</u>						<u>113 242</u>	
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4(b)	Mariam Capital account <table><tr><td>Date 2019 Sept 30</td><td>Details</td><td>\$</td><td>Date 2018 Oct 1</td><td>Details</td><td>\$</td></tr><tr><td></td><td>Drawings (1)</td><td>3125</td><td>2019 Sept 30</td><td>Balance b/d (1)</td><td>89 000</td></tr><tr><td></td><td>Balance c/d (1)OF</td><td>91 882</td><td></td><td>Bank (1)</td><td>5000</td></tr><tr><td></td><td></td><td><u>95 007</u></td><td></td><td>Profit (1)OF</td><td><u>1007</u></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td><u>95 007</u></td></tr><tr><td></td><td></td><td></td><td>2019 Oct 1</td><td>Balance b/d</td><td>91 882</td></tr></table>						Date 2019 Sept 30	Details	\$	Date 2018 Oct 1	Details	\$		Drawings (1)	3125	2019 Sept 30	Balance b/d (1)	89 000		Balance c/d (1)OF	91 882		Bank (1)	5000			<u>95 007</u>		Profit (1)OF	<u>1007</u>						<u>95 007</u>				2019 Oct 1	Balance b/d	91 882	5						
Date 2019 Sept 30	Details	\$	Date 2018 Oct 1	Details	\$																																												
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			2019 Oct 1	Balance b/d	91 882																																												

Question	Answer	Marks
4(c)	Full details are available about the assets, liabilities, revenues and expenses of the business/detailed records are available for reference purposes The preparation of financial statements is relatively straightforward The calculation of the profit or loss for the year is likely to be reliable and accurate More informed decision-making is possible A greater degree of control over business activities can be exercised The possibility of fraud is reduced Information required by a bank or other lender is readily available Or other suitable points Any 2 advantages (1) each	2

Question	Answer					Marks																																						
5(a)	<table><tr><td rowspan="3"></td><td colspan="4">Entry required to correct the error</td></tr><tr><td colspan="2">Debit</td><td colspan="2">Credit</td></tr><tr><td>account</td><td>\$</td><td>account</td><td>\$</td></tr><tr><td>1</td><td>sales sales returns</td><td>990 990</td><td>suspense</td><td>1980</td></tr><tr><td>2</td><td>Nadia</td><td>65 (1)</td><td>Nadira</td><td>65 (1)</td></tr><tr><td>3</td><td>drawings</td><td>150 (1)</td><td>purchases</td><td>150 (1)</td></tr><tr><td>4</td><td>no entry</td><td>– (1)</td><td>suspense</td><td>4100 (1)</td></tr><tr><td>5</td><td>discount received discount allowed</td><td>340 (1) 430 (1)</td><td>suspense</td><td>770 (1)</td></tr></table>						Entry required to correct the error				Debit		Credit		account	\$	account	\$	1	sales sales returns	990 990	suspense	1980	2	Nadia	65 (1)	Nadira	65 (1)	3	drawings	150 (1)	purchases	150 (1)	4	no entry	– (1)	suspense	4100 (1)	5	discount received discount allowed	340 (1) 430 (1)	suspense	770 (1)	9
	Entry required to correct the error																																											
	Debit		Credit																																									
	account	\$	account	\$																																								
1	sales sales returns	990 990	suspense	1980																																								
2	Nadia	65 (1)	Nadira	65 (1)																																								
3	drawings	150 (1)	purchases	150 (1)																																								
4	no entry	– (1)	suspense	4100 (1)																																								
5	discount received discount allowed	340 (1) 430 (1)	suspense	770 (1)																																								
5(b)	No (1) The errors discovered will not cancel out the original difference on the trial balance of \$7000/the suspense account will still have a balance (1)					2																																						

Question	Answer					Marks
5(c)	Sabir					9
	Statement of corrected profit for the year ended 30 September 2019					
	Draft profit for the year before corrections				\$31 400	
		No effect on profit	Increase in profit	Decrease in profit		
	Error 1			\$990 (1) \$990 (1)		
	Error 2	✓(1)				
	Error 3		\$150 (1)			
	Error 4			\$4100 (1)		
	Error 5			\$340 (1) \$430 (1)		
	Total difference		\$150	\$6850	(6700)	
Corrected profit for the year				<u>\$24 700</u> (2)CF (1)OF		

Question	Answer	Marks
6(a)	Percentage of gross profit to revenue $\frac{(42\,000 - 35\,490)}{42\,000} \cdot \frac{100}{1} \text{ } \} \text{ (1) whole formula = 15.50\% (1)}$ Percentage of profit to revenue $\frac{(6510 \text{ OF} - 3772)}{42\,000} \cdot \frac{100}{1} \text{ } \} \text{ (1) OF whole formula = 6.52\% (1)OF}$ Return on capital employed $\frac{2738 \text{ OF}}{(53\,000 + 10\,000)} \cdot \frac{100}{1} \text{ } \} \text{ (1) OF whole formula = 4.35\% (1)OF}$ Rate of inventory turnover $\frac{35\,490}{(860 + 920) / 2} \text{ (1) whole formula = 39.88 times (1)}$	8

Question	Answer	Marks
6(b)	Dealing in different types of goods Furniture has a higher profit mark-up than fruit and vegetables Any 2 points (1) each	2
6(c)	Fruit and vegetables are a low-priced everyday product/furniture is a higher priced article which is not purchased daily Fruit and vegetables will go bad if kept for a long period of time/furniture does not deteriorate as quickly as fresh food. Or other relevant reason Any 1 reason (1)	1
6(d)	Wages, insurance of premises, bad debts, increase in provision for doubtful debts, cash discount allowed Or other suitable expenses Any 2 expenses (1) each	2
6(e)	Dealing in different goods Different type of business (sole trader/partnership) Different length of life of business Different types of expenses Different size of business Results are for one year only and may not show trends The statements do not show non-monetary factors It may not be possible to obtain all the information needed to make comparisons Different accounting policies may be used Or other relevant factors Any 4 factors (1) each	4

Question	Answer	Marks
6(f)	Increase in selling price will increase margin/mark-up (1) so gross profit will increase (1) Increase in selling price may make customers go elsewhere (1) so gross profit will decrease (1)	2
6(g)	How much capital will Sabeena invest? Will the annual profit be increased with the injection of more capital? What share of profit will Sabeena require? Will Sabeena work in the business? Will Sabeena require an annual salary? What areas of expertise will Sabeena bring to the business? Are they going to be able to work together without disputes arising? Or other relevant factors Any 3 factors (1) each	3