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CAMBRIDGE
International Education

Cambridge IGCSE™

ACCOUNTING **0452/22**

Paper 2 **February/March 2024**

MARK SCHEME

Maximum Mark: 100

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 February/March 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

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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 descriptions 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.

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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.

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Social Science-Specific Marking Principles (for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)

b DO credit alternative answers/examples which are not written in the mark scheme if they are correct

c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).

d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)

e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities

f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).

g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

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3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

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Annotation	Description	Use
	Tick	Indicates a point which is relevant and rewardable.
	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
	An extraneous figure or item in the statement	
	OF	Own figure
	Noted but no credit given	Indicates that content has been recognised but not rewarded.
	Repetition	Indicates where content has been repeated.

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Question	Answer	Marks

1(a)

Gurjit
Cash Book

Date	Details		Disc Alld	Cash	Bank	Date	Details		Disc Rec	Cash	Bank
2024			$	$	$	2024			$	$	$
Jan 1	*Balance b/d*			*175*	*1 490*	Jan 7	Sandy	**(1)**	29		551
4	Sales	**(1)**			640	13	Wages	**(1)**		120	
19	Uma	**(1)**			415	21	Viraj	**(1)**	6		194
25	Bank	**(1)**		100		25	Cash	**(1)**			100
						31	Balance c/d			155	1 700
			–	275	2 545				35	275	2 545
Feb 1	Balance b/d			155 **(1)OF**	1 700 **(1)OF**				**(1)OF**		

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1(b)

	Updating cash book	Bank reconciliation statement
Bank error		✓ **(1)**
Cheque from Uma dishonoured	✓ **(1)**	
Bank charges	✓ **(1)**	

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Question	Answer	Marks
1(c)	**For:** Most payments are already being made from the bank **(1)** Less risk of cash being stolen/less risk of fraud/greater security using bank transfers **(1)** Cheques may be dishonoured/unpaid and reduced risk of stale/unpresented cheques **(1)** Bank transfers are quicker than cheques **(1)** Bank charges may reduce if there are fewer cheques **(1)** May be time saving – do not have to visit bank to pay cheques in **(1)** **Max (3)** **Against:** Customers/suppliers may prefer not to use bank transfers and deal in cash/cheques/may lose customers/sales **(1)** Not all customers may have a bank account **(1)** A charge may be incurred for electronic payments **(1)** There may be technical issues with internet/card terminals **(1)** Possible danger of internet banking fraud **(1)** A petty cash book/petty cashier would be required **(1)** **Max (3)** **Accept other valid points** **Max (4)** **Recommendation (1)**	**5**
1(d)(i)	**Bank overdraft** – when more has been paid out of the business bank account than paid in resulting in an amount that is owed to the bank **(1)**	**1**
1(d)(il)	**Bank charges** – amount debited to/deducted from the business bank account to cover the bank's costs of running the account **(1)**	**1**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)(i)</td><td>Samir
Journal
<table>
<tr><th>Date</th><th>Details</th><th>Debit
$</th><th>Credit
$</th></tr>
<tr><td>2023
Dec 31</td><td>Irrecoverable debts (1)
Ria (1)
Amount due from Ria written off due to bankruptcy. (1)</td><td>178</td><td>

178</td></tr>
</table></td><td>3</td></tr>
<tr><td>2(a)(ii)</td><td>To comply with the prudence principle/avoid overstating the profit for the year/avoid overstating the trade receivables (1)
To comply with the matching principle/to ensure that a possible irrecoverable debt is recognised in the year in which the sale was made (1)
It is unlikely that all the amounts due from trade receivable will be received (1)

Max 2</td><td>2</td></tr>
<tr><td>2(b)</td><td>Samir
Sales ledger control account
<table>
<tr><th>Date</th><th>Details</th><th>$</th><th>Date</th><th>Details</th><th>$</th></tr>
<tr><td>2023
Jan 1
Dec 31</td><td>Balance b/d
Sales (1)
Interest charged (1)</td><td>10 115
124 670
139</td><td>2023
Dec 31</td><td>Sales returns (1)
Bank (1)
Cash (1)
Contra (1)
Discount allowed (1)
Irrecoverable debts (1)
Balance c/d</td><td>5 234
98 620
11 470
1 833
3 125
178
14 464</td></tr>
<tr><td></td><td></td><td>134 924</td><td></td><td></td><td>134 924</td></tr>
<tr><td>2024
Jan 1</td><td>Balance b/d (1)OF</td><td>14 464</td><td></td><td></td><td></td></tr>
</table></td><td>9</td></tr>
</table>

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Question	Answer	Marks
2(c)(i)	**Advantages:** Customers would pay the full amount of each invoice **(1)** Profit for the year may increase as expenses would be reduced **(1)** Book-keeping would be less complicated **(1)** May improve relationship with trade payables/may reduce trade payables turnover **(1)** May be able to obtain cash discount from trade payables **(1)** Trade payables may charge interest if payment made late **(1)** **Max (3)** **Disadvantages:** No incentive for customers to pay quickly/customers may take longer to pay **(1)** Increased risk of irrecoverable debts **(1)** Customers may buy less/go elsewhere/sales decrease/relationship with customers may deteriorate **(1)** Over half of sales are made for cash so the removal of cash discount would have limited effect **(1)** **Max (3)** **Accept other valid points** **Max (4)** **Recommendation (1)**	**5**
2(c)(ii)	Increase selling price **(1)** Reduce other expenses **(1)** Reduce drawings/introduce additional capital **(1)** Apply for a short-term loan/overdraft **(1)** Charge interest on overdue accounts **(1)** Improve credit control **(1)** **Accept other valid points** **Max (1)**	**1**

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Question	Answer	Marks

3(a) — **6**

The Sporting Excellence Club
Subscriptions account

Date	Details		$	Date	Details		$
2023				2023			
Jan 1	Balance b/d	**(1)**	480	Jan 1	Balance b/d	**(1)**	610
Dec 31	Income and expenditure	**(1)OF**	11 975	Dec 31	Bank/cash/cash book	**(1)**	11 950
	Balance c/d		570		Balance c/d		465
			13 025				13 025
2024				2024			
Jan 1	Balance b/d	***(1)both**	465	Jan 1	Balance b/d	*	570

+(1) dates

3(b) — **4**

The Sporting Excellence Club
Rent and insurance account

Date	Details		$	Date	Details		$
2023				2023			
Jan 1	Balance b/d	**(1)**	240	Dec 31	Income and expenditure	**(1)OF**	7 380
Dec 31	Bank/cash/cash book	**(1)**	7 390		Balance c/d		250
			7 630				7 630
2024							
Jan 1	Balance b/d	**(1)**	250				

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(c)</td><td>
<table>
<tr><td></td><td>$</td><td></td></tr>
<tr><td>Payments to trade payables</td><td>23 290</td><td>(1)</td></tr>
<tr><td>Add Closing trade payables</td><td>2 470</td><td>*</td></tr>
<tr><td></td><td>25 760</td><td></td></tr>
<tr><td>Less Opening trade payables</td><td>2 140</td><td>*(1) both</td></tr>
<tr><td>Purchases</td><td>23 620</td><td>(1) OF</td></tr>
</table>
OR
<table>
<tr><td>Bank</td><td>23 290</td><td>Balance b/d</td><td>2 140</td></tr>
<tr><td>Balance c/d</td><td>2 470</td><td>Purchases *</td><td>23 620</td></tr>
<tr><td></td><td>25 760</td><td></td><td>25 760</td></tr>
</table>
Bank (1)
2 Balances (1)
Purchases (1)OF
</td><td>3</td></tr>
<tr><td>3(d)</td><td>
The Sporting Excellence Club
Shop income statement for the year ended 31 December 2023
<table>
<tr><td></td><td>$</td><td></td><td>$</td><td></td></tr>
<tr><td>Revenue</td><td></td><td></td><td>31 890</td><td></td></tr>
<tr><td>Cost of sales</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Opening inventory</td><td>2 500</td><td>*</td><td></td><td></td></tr>
<tr><td>Purchases</td><td>23 620</td><td>(1)OF</td><td></td><td></td></tr>
<tr><td>Closing inventory</td><td>(2 750)</td><td>(1) *</td><td>23 370</td><td></td></tr>
<tr><td>Gross profit</td><td></td><td></td><td>8 520</td><td></td></tr>
<tr><td>Shop wages</td><td></td><td></td><td>3 268</td><td>(1)</td></tr>
<tr><td>Profit on shop (1)</td><td></td><td></td><td>5 252</td><td>(1)OF</td></tr>
</table>
* for both
</td><td>5</td></tr>
<tr><td>3(e)(i)</td><td>The accumulated fund of a club consists of the total surpluses less total deficits which have arisen over the life of the club. (1)</td><td>1</td></tr>
</table>

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Question	Answer	Marks
3(e)(ii)	The income and expenditure account of a club shows the surplus or deficit it has made, by deducting the expenses from its gains/income. **(1)**	**1**

Question	Answer	Marks
4(a)	Sara Inventory account Date | Details | | $ | Date | Details | | $ *2023* *Jan 1* | *Balance b/d* | | *5 811* | 2023 Dec 31 | Income statement | **(1)** | 5 811 | | | 5 811 | | | | 5 811 Dec 31 | Income statement | **(1)** | 6 275 | | Balance c/d | | 6 275 | | | 6 275 | | | | 6 275 2024 Jan 1 | Balance b/d | **(1)** | 6 275 | | | | **+ (1) dates**	**4**
4(b)	Sara Capital account Date | Details | | $ | Date | Details | | $ 2023 Dec 31 | Drawings | **(1)** | 19 260 | Jan 1 | Balance b/d | | 115 793 | Balance c/d | | 116 713 | Dec 31 | Income statement | **(1)** | 20 180 | | | 135 973 | | | | 135 973 | | | | 2024 | | | | Jan 1 | Balance b/d | **(1)OF** | 116 713	**3**

Question	Answer	Marks
4(c)	Sara Statement of financial position at 31 December 2023	7

	$ Cost	$ Accumulated depreciation		$ Net Book value	
Non-current assets					
Premises	100 000	–		100 000	
Fixtures and fittings	40 000	15 000		25 000	
	140 000	15 000		125 000	**(1)**
Current assets					
Inventory		6 275			
Trade receivables	8 540				
Less Provision for doubtful debts	427	8 113	**(1)**		
Cash		350		14 738	**(1)OF**
				139 738	
Capital and liabilities					
Capital					
Opening balance				115 793	
Profit for the year				20 180	
				135 973	
Less drawings				19 260	
				116 713	**(1)**
Non-current liability					
Loan				12 000	**(1)**
Current liabilities					
Trade payables		5 125			
Other payables		1 000	**(1)**		
Bank overdraft		4 900		11 025	**(1)OF**
				139 738	

Question	Answer	Marks
4(d)	**Advantages** May be able to sell to customers in a wider area/to customers without own transport/customer convenience **(1)** May increase gross profit/gross profit margin **(1)** The delivery vehicle may be used to advertise the business **(1)** Improved ability to compete with other traders **(1)** The business currently has no vehicles/new vehicle may have other uses (e.g. collecting purchases) **(1)** **Max (2)** **Disadvantages** Has a bank overdraft and a loan already so it may be difficult to obtain finance to buy the vehicle **(1)** Must consider extra costs (fuel, insurance/depreciation/driver's wages **(1)** Any increase in sales/gross profit needs to be at least sufficient to cover the vehicle running costs **(1)** The vehicle would have a limited useful life and would then need to be replaced **(1)** Some customers/potential customers may be unwilling to pay the delivery charge/may switch to other suppliers **(1)** **Max (2)** **Accept other valid points** **Recommendation (1)**	**5**
4(e)	Revenue receipts are amounts received by a business from its usual trading activities **(1)**	**1**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>
Sunita
Journal
<table>
<tr><th>Error number</th><th>Details</th><th>Debit $</th><th>Credit $</th></tr>
<tr><td>1</td><td>Purchases (1)
Sales returns (1)
Suspense (1)
Correction of error of posting sales returns journal for November 2023 (1)</td><td>3 524
3 524</td><td>

7 048</td></tr>
</table>
</td><td>4</td></tr>
<tr><td>5(b)</td><td>
Sunita
Suspense account
<table>
<tr><th>Date 2023</th><th>Details</th><th>$</th><th>Date 2023</th><th>Details</th><th>$</th></tr>
<tr><td>Dec 31</td><td>Sales (1)
M. Patel }(1)
P. Mattel }
Capital (1)</td><td>19 415
129
129
5 000</td><td>Dec 31</td><td>Trial balance difference (1)OF
Purchases }(1)
Sales returns }
Purchases (1)
Rent expense (1)</td><td>17 085
3 524
3 524
90
450</td></tr>
<tr><td></td><td></td><td>24 673</td><td></td><td></td><td>24 673</td></tr>
</table>
</td><td>7</td></tr>
<tr><td>5(c)(i)</td><td>
<table>
<tr><td></td><td>$</td><td></td></tr>
<tr><td>Original gross profit per draft financial statements</td><td>66 223</td><td></td></tr>
<tr><td>Error 1 ($3524 × 2)</td><td>(7 048)</td><td>(1)</td></tr>
<tr><td>Error 2</td><td>(90)</td><td>(1)</td></tr>
<tr><td>Error 3</td><td>19 415</td><td>(1)</td></tr>
<tr><td>Gross profit for the year after correcting errors</td><td>78 500</td><td>(1)OF</td></tr>
</table>
</td><td>4</td></tr>
</table>

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Question	Answer	Marks
5(c)(ii)	$$\begin{array}{lrl} & \$ & \\ \textit{Original profit for the year per draft financial statements} & \textit{28 750} & \\ \text{Adjustment from } \textbf{5(c)(i)} \text{ (78 500 – 66 223)} & 12\,277 & \textbf{(1)OF} \\ \text{Error 6} & (450) & \textbf{(1)} \\ \textit{Profit for the year after correcting errors} & 40\,577 & \textbf{(1)OF} \end{array}$$	**3**
5(d)	Gross profit = $\frac{78\,500}{1}$ **OF** $\times \frac{100}{40}$ **(1) whole formula** = \$196 250 **(1)OF**	**2**

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