GradeMax

Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

7288855397

ACCOUNTING **0452/22**

Paper 2 Structured Written Paper **February/March 2024**

1 hour 45 minutes

You must answer on the question paper.

No additional materials are needed.

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.
- International accounting terms and formats should be used as appropriate.
- You should show your workings.

INFORMATION

- The total mark for this paper is 100.
- The number of marks for each question or part question is shown in brackets [ ].
- Where you are asked to complete a layout, you may not need all the lines for your answer.

This document has **20** pages. Any blank pages are indicated.

DC (CJ) 326044/3
© UCLES 2024

GradeMax

1 Gurjit is a trader. During January 2024, the following transactions took place.

January	4	Cash sales, $640, were paid directly into the bank account
	7	Paid Sandy $551 by credit transfer, having deducted 5% cash discount
	13	Paid cash, $120, for wages
	19	Received payment by cheque, $415, from Uma
	21	Paid Viraj $194 by telephone transfer, in full settlement of an invoice for $200
	25	Withdrew cash from the bank, $100, for business use

REQUIRED

(a) Prepare Gurjit's cash book on the page opposite.
Balance the cash book and bring down the balances at 1 February 2024.

© UCLES 2024

GradeMax

Gurjit
Cash Book

Date	Details	Discount allowed	Cash	Bank	Date	Details	Discount received	Cash	Bank
2024		$	$	$	2024		$	$	$
Jan 1	*Balance b/d*		*175*	*1490*	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

[10]

© UCLES 2024

[Turn over

(b) Complete the following table by placing a tick (✓) in the correct column to indicate whether each item would be used to update the cash book or would appear in the bank reconciliation statement.

	Updating cash book	Bank reconciliation statement
Bank error		
Cheque from Uma dishonoured		
Bank charges		

[3]

Gurjit is considering paying amounts of less than $20 via petty cash. He would pay all larger amounts by bank transfer or card payment. He would also require his customers to pay all amounts due by bank transfer or card payment. Gurjit would stop issuing and receiving cheques.

REQUIRED

(c) Advise Gurjit whether or not he should make the above changes. Justify your answer by providing points for and against making these changes.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [5]

GradeMax

(d) State the meaning of the following terms.

(i) Bank overdraft

.....

..... [1]

(ii) Bank charges

.....

..... [1]

[Total: 20]

GradeMax

2 Samir buys and sells on credit. He has provided the following information.

2023		$
1 January	Total trade receivables	10 115
31 December	Totals for the year:	
	Cash sales	136 900
	Credit sales	124 670
	Returns from credit customers	5 234
	Bank transfers received from credit customers	98 620
	Cash received from credit customers	11 470
	Interest charged on overdue sales ledger accounts	139
	Contra entries	1 833
	Discount allowed to credit customers	3 125

In addition, one of Samir's trade receivables, Ria, has become bankrupt and Samir will not receive the $178 which she owes to him. Samir thinks he will receive most of the other amounts due to him from his trade receivables.

REQUIRED

(a) (i) Prepare the journal entry to write off the amount owed by Ria. A narrative **is** required.

Samir
Journal

Date	Details	Debit $	Credit $
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

[3]

(ii) State **two** reasons why Samir should use a provision for doubtful debts account.

.....

.....

.....

..... [2]

© UCLES 2024

(b) Prepare Samir's sales ledger control account for the year ended 31 December 2023. Balance the account and bring down the balance at 1 January 2024.

Samir
Sales ledger control account

Date	Details	$	Date	Details	$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

[9]

© UCLES 2024

Samir is concerned about his ability to pay his trade payables. He is considering whether to stop allowing cash discount to his credit customers so that he will have more cash coming in and can pay his trade payables more easily.

REQUIRED

(c) (i) Advise Samir whether or not to stop allowing cash discount. Justify your answer by providing advantages and disadvantages of stopping cash discount to his credit customers.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [5]

(ii) Suggest **one** other action which Samir could take to ensure that he has sufficient cash to pay his trade payables.

.....

..... [1]

[Total: 20]

© UCLES 2024

GradeMax

BLANK PAGE

3 The Sporting Excellence Club provides sports facilities for its members. It also runs a shop where members can buy sportswear.

The club's assets and liabilities included the following.

	31 December 2022	31 December 2023
	$	$
Subscriptions received in advance	610	570
Subscriptions received in arrears	480	465
Insurance paid in advance	240	250
Shop inventory	2500	2750
Trade payables for shop supplies	2140	2470

The following totals have been taken from the club's receipts and payments account for the year ended 31 December 2023.

Receipts	$
Subscriptions received	11950
Shop sales	31890
Payments	
Trade payables for shop supplies	23290
Shop wages	3268
Club rent and insurance	7390
Other club expenses	1122

REQUIRED

(a) Prepare the subscriptions account for the year ended 31 December 2023. Balance the account and bring down the balances at 1 January 2024.

© UCLES 2024

The Sporting Excellence Club
Subscriptions account

Date	Details	$	Date	Details	$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

[6]

(b) Prepare the rent and insurance account for the year ended 31 December 2023. Balance the account and bring down the balance at 1 January 2024.

The Sporting Excellence Club
Rent and insurance account

Date	Details	$	Date	Details	$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

[4]

(c) Calculate the shop purchases for the year ended 31 December 2023.

.....

.....

.....

.....

.....

..... [3]

© UCLES 2024

(d) Prepare the income statement for the shop for the year ended 31 December 2023

The Sporting Excellence Club
Shop income statement for the year ended 31 December 2023

	$	$
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

[5]

(e) State the meaning of the following terms.

(i) accumulated fund

.....

..... [1]

(ii) income and expenditure account

.....

..... [1]

[Total: 20]

© UCLES 2024

GradeMax

BLANK PAGE

4 Sara is a trader. She has prepared her income statement for the year ended 31 December 2023. This shows a profit for the year of $20 180. She has closed the ledger accounts for income and expenses and has transferred the closing inventory to the income statement.

The following balances remain in Sara's ledger at 31 December 2023.

	$
Premises (cost)	100 000
Fixtures and fittings (cost)	40 000
Accumulated depreciation on fixtures and fittings	15 000
Inventory (at 31 December 2023)	6 275
Trade receivables	8 540
Provision for doubtful debts	427
Trade payables	5 125
Bank overdraft	4 900
Cash	350
Long-term loan	12 000
Wages (accrued)	1 000
Capital (at 1 January 2023)	115 793
Drawings	19 260

REQUIRED

(a) Prepare the inventory account for the year ended 31 December 2023. Balance the account and bring down the balance at 1 January 2024.

© UCLES 2024

Sara
Inventory account

Date	Details	$	Date	Details	$
2023					
Jan 1	*Balance b/d*	*5811*	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

[4]

(b) Prepare the capital account for the year ended 31 December 2023. Balance the account and bring down the balance at 1 January 2024.

Sara
Capital account

Date	Details	$	Date	Details	$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

[3]

© UCLES 2024

(c) Prepare the statement of financial position at 31 December 2023.

Sara
Statement of financial position at 31 December 2023

	$	$	$
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

[7]

© UCLES 2024

Sara is considering purchasing a delivery vehicle. She thinks that her sales would increase if she was able to deliver goods to her customers. She would charge a small amount to her customers to cover the cost of delivery.

REQUIRED

(d) Advise Sara whether or not she should purchase the delivery vehicle. Justify your answer by providing **two** advantages and **two** disadvantages of purchasing the delivery vehicle.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [5]

(e) State the meaning of the term revenue receipts.

.....

..... [1]

[Total: 20]

5 Sunita has prepared a trial balance at 31 December 2023 and a draft income statement for the year ended 31 December 2023.

Sunita later discovered the following errors.

1 The total of the sales returns journal for November 2023, $3524, had been credited to the purchases account.

2 The purchases journal for July 2023 had been undercast by $90.

3 The total of the sales journal for May 2023, $19415, had not been posted to the sales account.

4 A payment received from P. Mattel, $129, had been debited to the account for M. Patel.

5 Capital introduced by Sunita, $5000, had been debited to the bank account but no other entry had been made.

6 A rent payment, $500, had been posted to the rent expense account as $50.

REQUIRED

(a) Prepare the journal entry to correct error **1 only**. A narrative **is** required.

Sunita
Journal

Error number	Details	Debit $	Credit $
1	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

[4]

© UCLES 2024

(b) Prepare the suspense account. Include the balancing figure as the original difference on the trial balance.

Sunita
Suspense account

Date	Details	$	Date	Details	$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

[7]

(c) Calculate the corrected profit figures in the tables below:

(i)

	$
Original gross profit per draft financial statements	*66 223*
Gross profit for the year **after** correcting errors	

[4]

(ii)

	$
Original profit for the year per draft financial statements	*28 750*
Profit for the year **after** correcting errors	

[3]

Sunita's gross margin is 40%.

REQUIRED

(d) Calculate Sunita's sales revenue for the year ended 31 December 2023.

.....

..... [2]

[Total: 20]

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.

© UCLES 2024