GradeMax

CAMBRIDGE
International Education

Cambridge IGCSE™

ACCOUNTING **0452/23**

Paper 2 **May/June 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 May/June 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

This document consists of **18** printed pages.

© Cambridge University Press & Assessment 2024

GradeMax
Accounting · 2024 · May/Jun · Paper 23 · MS · Cambridge
https://xtremepape.rs/

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.

GradeMax
https://xtremepape.rs/

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.

© Cambridge University Press & Assessment 2024

GradeMax
Accounting · 2024 · May/Jun · Paper 23 · MS · Cambridge
https://xtremepape.rs/

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).

GradeMax
Accounting · 2024 · May/Jun · Paper 23 · MS · Cambridge
https://xtremepape.rs/

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.

© Cambridge University Press & Assessment 2024

GradeMax
Accounting · 2024 · May/Jun · Paper 23 · MS · Cambridge
https://xtremepape.rs/

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(a)</td><td>($21 +$47 + $44) (1) – $15(1) = $97 (1)OF</td><td>3</td></tr>
<tr><td>1(b)(i)</td><td>cash book (1)
sales journal (1)
sales returns journal (1)
purchases journal (1)
purchases returns journal (1)
journal / general journal (1)
Max (1)</td><td>1</td></tr>
<tr><td>1(b)(ii)</td><td>Useful for preparing control accounts (1)
Assist in collating and summarising accounting information (1)
Remove detail from the ledgers (1)
Bookkeeping can be divided among several people (1)

Accept other valid points
Max (2)</td><td>2</td></tr>
<tr><td>1(c)(i)</td><td>Depreciation for the year ended 30 April 2022 12 000 × 25% 3 000 }
Depreciation for the year ended 30 April 2023 (12 000 – 3 000) 9 000 × 25% <u>2 250</u> }(1)
Accumulated depreciation at 30 April 2024 <u>5 250</u> (1)OF</td><td>2</td></tr>
<tr><td>1(c)(ii)</td><td>Lottie
Disposal of motor vehicle account
<table>
<tr><th>Date
2024</th><th>Details</th><th>$</th><th>Date
2024</th><th>Details</th><th>$</th></tr>
<tr><td>Apr 30</td><td>Motor vehicles (1)</td><td>12 000

<u>12 000</u></td><td>Apr 30</td><td>Provision for depreciation (1)OF
Y Limited (1)
Income statement (1)OF</td><td>5 250
6 000
<u>750</u>
<u>12 000</u></td></tr>
</table>
Ignore dates</td><td>4</td></tr>
</table>

GradeMax
Accounting · 2024 · May/Jun · Paper 23 · MS · Cambridge
https://xtremepape.rs/

Question	Answer	Marks
1(d)	(table below)	**4**

Item	Valuation per unit $	Number of items	Total valuation $
A	(14 + 1 =) 15	60	900 **(1)**
B	17	85	1 445 **(1)**
C	22	30	660 **(1)**
			3 005 **(1)OF**

Question	Answer	Marks
1(e)	Lottie Insurance account (table below) **Dates (1)**	**4**

Lottie
Insurance account

Date	Details	$	Date	Details	$
2023			2024		
May 1	Balance b/d **}**	60	Apr 30	Income statement **(1)**	360
Aug 1	Bank **} (1)**	360		Balance c/d	60
		420			420
2024					
May 1	Balance b/d **(1)OF**	60			

Dates (1)

GradeMax
Accounting · 2024 · May/Jun · Paper 23 · MS · Cambridge
https://xtremepape.rs/

Question	Answer	Marks
2(a)	Toyah Manufacturing Account for the year ended 31 January 2024	**9**

	$		$	
Cost of material consumed				
Opening inventory of raw material			12 400	
Purchases of raw material			143 000	
			155 400	
Less Closing inventory of raw material			11 205	
			144 195	**(1)**
Direct wages			51 000	**(1)**
Prime cost			195 195	**(1)OF**
Factory overheads				
Wages of factory supervisor	19 000			
Factory electricity	16 000			
Rates and insurance (16 200 × 2/3)	10 800	**(1)**		
General factory expenses (6 155 + 235)	6 390	**(1)**		
Depreciation of factory machinery (120 000 – 52 500) × 25%	16 875	**(1)**	69 065	
			264 260	**(1)OF**
Add Opening work-in-progress			16 970	*
			281 230	
Less Closing work-in-progress			17 682	***(1) for both**
Cost of production			263 548	**(1)OF**

GradeMax
Accounting · 2024 · May/Jun · Paper 23 · MS · Cambridge
https://xtremepape.rs/

Question	Answer	Marks
2(b)	Toyah Income statement (trading section) for the year ended 31 January 2024 | | $ | | $ | | Revenue | | | 390 100 | **(1)** Cost of sales Opening inventory | 14 825 | * | | Cost of production | 263 548 | **(1)OF** | | | 278 373 | | | Closing inventory | 13 480 | ***(1) for both** | 264 893 | **(1)OF** Gross profit | | | 125 207 | **(1)OF**	**5**
2(c)	$\frac{\$263\,548}{6\,936}$ **OF** = $38 **(1)OF** per dolls' house (rounded up to nearest dollar)	**1**
2(d)	**For:** Sales of discounted inventory should be profitable / make a profit / increase profit margin **(1)** Selling extra inventory may increase total sales / more customers / more revenue **(1)** Completed inventory may be turned into cash quickly **(1)** Her own inventory of finished goods has decreased so there may be scope for her to sell additional inventory **(1)** **Accept other valid points** **Max (2)** **Against:** Does not have enough money to buy the inventory **(1)** If have to borrow money will incur interest charges **(1)** It may incur extra storage costs **(1)** May not be able to sell the inventory if unpopular / inferior quality **(1)** May increase selling costs **(1)** **Accept other valid points** **Max (2)** **Recommendation (1)**	**5**

GradeMax
Accounting · 2024 · May/Jun · Paper 23 · MS · Cambridge
https://xtremepape.rs/

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(a)(i)</td><td>Bank statement (1)</td><td>1</td></tr>
<tr><td>3(a)(ii)</td><td>Error 4 (1)</td><td>1</td></tr>
<tr><td>3(b)</td><td>Akil
Journal
<table>
<tr><th>Error number</th><th>Details</th><th>Debit
$</th><th>Credit
$</th></tr>
<tr><td>1</td><td>Sales returns
Sales</td><td>3 416 (1)</td><td>
3 416 (1)</td></tr>
<tr><td>2</td><td>Insurance (115 × 2)
Suspense</td><td>230 (1)</td><td>
230 (1)</td></tr>
<tr><td>3</td><td>Discount received
Discount allowed
Suspense</td><td>47 (1)
47 (1)</td><td>

94 (1)</td></tr>
</table></td><td>7</td></tr>
<tr><td>3(c)(i)</td><td>Shows that all the errors have not yet been found/corrected (1)</td><td>1</td></tr>
</table>

© Cambridge University Press & Assessment 2024

https://xtremepape.rs/

Question	Answer	Marks
3(c)(ii)	Akil Suspense account Date 2024 | Details | $ || Date 2024 | Details | $ Feb 29 | Difference on Trial balance **(1)** | 385 || Feb 29 | Insurance **(1)** | 230 | Purchases **(1)** | 90 || | Discount received **} (1)** | 47 | | || | Discount allowed **}** | 47 | | || | Balance c/d | 151 | | 475 || | | 475 March 1 | Balance b/d **(1)OF** | 151 || | | **Ignore dates**	**5**
3(d)	| $ Plus | $ Minus | $ Original draft profit | | | 17 420 Error 4 | 52 **(1)** | | Error 5 | 90 **(1)** | | Error 2 | | 230 **(1)** | Error 3 | | 94 **(1)** | | 142 | 324 | (182) Draft profit after corrections | | | 17 238 **(1)OF**	**5**

GradeMax

Question	Answer					Marks
4(a)	Tadeen and Yadid Income Statement for the year ended 30 April 2024					**8**
		$		$		
	Revenue			236 350		
	Expenses					
	Salaries (79 800 + 1 800)	81 600	**(1)**			
	Rates and insurance (17 320 – (10/12 × 1 920)=1 600)	15 720	**(2) / (1)OF**			
	Advertising	16 730	**}**			
	Office expenses	6 150	**}(1)**			
	Depreciation of fittings and equipment (15% × 70 000)	10 500	**(1)**			
	Irrecoverable receivables	670	**(1)**	131 370		
	Profit from operations			104 980		
	Loan interest			1 200	**(1)**	
	Profit for the year			103 780	**(1)OF**	

GradeMax

https://xtremepape.rs/

Question	Answer	Marks
4(b)	Tadeen and Yadid Appropriation account for the year ended 30 April 2024 <table><tr><td></td><td></td><td>$</td><td></td><td>$</td><td></td></tr><tr><td>Profit for the year</td><td></td><td></td><td></td><td>103 780</td><td>**OF**</td></tr><tr><td>Add interest on drawings</td><td>Tadeen</td><td>1 715</td><td>**}**</td><td></td><td></td></tr><tr><td></td><td>Yadid</td><td>2 325</td><td>**} (1)**</td><td>4 040</td><td></td></tr><tr><td></td><td></td><td></td><td></td><td>107 820</td><td></td></tr><tr><td>Less</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Interest on capital</td><td>Tadeen</td><td>3 750</td><td>**}**</td><td></td><td></td></tr><tr><td></td><td>Yadid</td><td>2 550</td><td>**} (1)**</td><td></td><td></td></tr><tr><td></td><td></td><td>6 300</td><td></td><td></td><td></td></tr><tr><td>Salary Yadid</td><td></td><td>10 000</td><td>**(1)**</td><td>16 300</td><td></td></tr><tr><td></td><td></td><td></td><td></td><td>91 520</td><td></td></tr><tr><td>Profit share</td><td>Tadeen</td><td>54 912</td><td>**(1) OF**</td><td></td><td></td></tr><tr><td></td><td>Yadid</td><td>36 608</td><td>**(1) OF**</td><td>91 520</td><td></td></tr></table>	**5**
4(c)(i)	To avoid a debit balance on their current account **(1)** To keep cash in the business / to benefit the business / less profits / making loss **(1)** To reduce interest charged on drawings **(1)** **Accept other valid points** **Max (1)**	**1**
4(c)(ii)	Going concern **(1)**	**1**

https://xtremepape.rs/

Question	Answer	Marks
4(d)	**For** The business will benefit from the skills and experience of Raim **(1)** Raim may contribute towards increased revenue and profit / attract more customers **(1)** Raim would share workload **(1)** Raim would share the risks / responsibilities / losses **(1)** They could require Raim to introduce capital **(1)** They may need to spend less on advertising as Raim is well known in the area **(1)** **Accept other valid points** **Max (3)** **Against** The profits would need to be shared with Raim **(1)** Raim's profit share would be greater than an employee's salary **(1)** Raim's profit share will significantly reduce the profit available for the existing partners **(1)** They would need to take account of Raim's views / there may be disagreements **(1)** They would be liable for the actions of Raim **(1)** **Accept other valid points** **Max (3)** **Max (4)** **Recommendation (1)**	**5**

GradeMax
Accounting · 2024 · May/Jun · Paper 23 · MS · Cambridge
https://xtremepape.rs/

Question	Answer	Marks
5(a)	Gross margin: Cost of sales 5 200 + 51 300 – 6 500 = 50 000 Gross profit 97 000 – 50 000 = 47 000 Gross margin = $\frac{47\,000\ \mathbf{(1)}}{97\,000} \times \frac{100}{1}$ = 48.45% **(1)** Profit margin: Profit 47 000 **OF** – 23 750 = 23 250 Profit margin = $\frac{23\,250\ \mathbf{(1)\ OF}}{97\,000\ \ \mathbf{CF}} \times \frac{100}{1}$ = 23.97% **(1)OF** Inventory turnover: $\frac{50\,000\ \mathbf{(1)\ OF}}{(5\,200 + 6\,500)/2 = 5850\ \mathbf{(1)}}$ = 8.55 times **(1)OF** Trade receivables turnover $\frac{9\,550}{86\,400} \times \frac{365}{1}$ **(1) whole formula** = 41 days **(1)OF** Liquid (acid test) ratio (9 550 + 1 200) : 6 000 **(1) whole formula** = 1.79:1 (**1)OF**	**11**

GradeMax
Accounting · 2024 · May/Jun · Paper 23 · MS · Cambridge
https://xtremepape.rs/

Question	Answer	Marks
5(b)(i)	His purchase price has fallen / he has been allowed trade discount **(1)** His sales mix has changed **(1)** **Max (1)**	**1**
5(b)(ii)	Whether Ajay will be able to continue in business/continue being able to supply them **(1)**	**1**

GradeMax
Accounting · 2024 · May/Jun · Paper 23 · MS · Cambridge
https://xtremepape.rs/

Question	Answer	Marks
5(c)	**Advantages** Should increase sales / attract new customers **(1)** May increase profit for the year **(1)** Should increase rate of inventory turnover **(1)** Reduces risk of inventory deteriorating / becoming damaged / obsolete **(1)** Reduces cost of holding inventory (storage, insurance) **(1)** May improve his reputation **(1)** **Accept other valid points** **Max (3)** **Disadvantages** Would reduce gross margin / gross profit / profit for the year / profit margins / may make a loss **(1)** Less money coming in from each unit sold / liquidity reduced **(1)** Customers may question the quality of the goods / it may damage his reputation **(1)** Customers may be unwilling to pay the full price in future **(1)** It may be better to offer cash discount to reduce trade receivables **(1)** **Accept other valid points** **Max (3)** **Max (4)** **Recommendation (1)**	**5**

GradeMax
Accounting · 2024 · May/Jun · Paper 23 · MS · Cambridge
https://xtremepape.rs/

Question	Answer	Marks
5(d)	May result in loss if expenses continue to increase **(1)** He may not be able to pay expenses / suppliers / wages if they continue to increase **(1)** The business cannot continue indefinitely if this trend continues **(1)** **Accept other valid points** **Max (2)**	**2**

© Cambridge University Press & Assessment 2024