UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

International General Certificate of Secondary Education

MARK SCHEME for the May/June 2006 question paper

0452 ACCOUNTING

0452/02 Paper 2, maximum raw mark 90

These mark schemes are published as an aid to teachers and students, to indicate the requirements of the examination. They show the basis on which Examiners were initially instructed to award marks. They do not indicate the details of the discussions that took place at an Examiners' meeting before marking began. Any substantial changes to the mark scheme that arose from these discussions will be recorded in the published *Report on the Examination*.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes must be read in conjunction with the question papers and the *Report on the Examination*.

The minimum marks in these components needed for various grades were previously published with these mark schemes, but are now instead included in the Report on the Examination for this session.

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Question Number		Question (including any source details)	
1	(a)	Cash book	
	(b)	Matching	[1]
	(c)	Fixed assets	[1]
	(d)	A transaction completely omitted from the books e.g. cash sales not recorded	[1]

(e)

	Income	Expense	
Discount received	✓ (1)		
Carriage outwards		✓ (1)	
Interest on bank deposit	✓ (1)		
Bad debt written off		✓ (1)	[4]

(f)	Interest on capital, partners salaries, interest on drawings (any **two**)		[2]
(g)	Current assets less current liabilities		[2]
(h)	(i)	$200 less $65 = $135	[1]
	(ii)	Missing voucher or $10 lost/pilfered from cash box	[2]
(i)	(i)	Current assets less stock/current liabilities	[2]
	(ii)	Shows whether the business has sufficient liquid assets to meet its current liabilities	[2]

Total marks [19]

Question Number	Question (including any source details)			M[illegible]
2 (a)	Loretti Journal			
		$	$	
	Office furniture	1 500 (1)		
	Stock	12 000 (1)		
	Bank	5 300 (2)		
	Cash	200 (1)		
	Loan – Hassan		3 000 (1)	
	Capital – Loretti		16 000 (2)	
		19 000	19 000	
				[8]

See next page for **2 (b)**

Loretti – Petty Cash Book

Date April	Details	Total received $	Date April	Details	Total paid $	Stationery $	Refreshments $	Cleaning $	Travelling $
1	Capital	200.00(1)	3	Stationery	35.00(1)	35.00			
			8	Refreshments	40.00(1)		40.00		
			13	Cleaning	50.00(1)			50.00	
			20	Travelling	20.00(1)				20.00
					145.00	35.00	40.00	50.00	20.00
			30	Balance c/d	55.00(1)				
		200.00			200.00				
May 1	Balance b/d	55.00(1)							
1	Bank	145.00(1)							

[8]

[Total: 16]

Question Number **Question (including any source details)**

3 (a) Hilota – Trial balance at 31 March 2006

	$		$	
Fixed assets	22 000	(1)		
Provision for depreciation			9 300	(1)
Stock at 1 April 2005	3 200	(1)		
Balance at bank	1 550	(1)		
Sales			56 500	(1)
Sales returns	500	(1)		
Purchases	34 200	(1)		
Carriage outwards	950	(1)		
Rent	4 000			
Wages	7 200	(1)		
General expenses	2 600			
Capital			20 000	(1)
Drawings	9 600	(1)		
Totals	85 800		85 800 to agree total	(1)

[12]

(b) Hilota
Trading account for the year ended 31 March 2006

	$		$	
Sales			56 500	(1)
less sales returns			500	(1)
			56 000	
Opening stock	3 200	(1)		
Purchases	34 200	(1)		
	37 400			
less closing stock	3 800	(1)		
Cost of goods sold			33 600	(1)
Gross profit			22 400	(1) OF

[7]

(c) Gross profit percentage = Gross profit/net sales
= 22 400 **(1)(OF)**/56 000 **(1)** x 100
= 40.00% **(1)** **[3]**

(d) **If no sales returns, use gross sales:**
Gross profit percentage = 22 900 **(1)(OF)**/56 500 **(1)** x 100
= 40.43% **(1)** **[3]**

Total marks [25]

Question Number **Question (including any source details)** **M...**

4 (a) Stock is valued at the **lower (1)** of **cost (1)** and **net realisable value (1)** **[3]**

(b) Rudi- stock valuation

	$		$	
Part A005: 250 (1) units @ $1.30 per unit (1)			325.00	(1)
Part B017: 600 (1) units @ $1.80 per unit (2)			1 080.00	(1)
Part C060: 150 (1) units @ $2.50 per unit (1)	375.00	(1)		
add: carriage inwards 3 x $25 =	75.00	(1)		
			450.00	
Total value of stock			1 855.00	(1)

[12]

(c) Prudence **[2]**

Total marks [17]

5 (a) Rajit
Summary Balance Sheet at 31 December 2005

	Cost		Provision for depreciation		Net book value	
	$		$		$	
Fixed assets	62 500	(1)	12 500	(1)	50 000	(1)
Current assets			47 000	(1)		
less current liabilities			19 000	(1)		
Net current assets/working capital					28 000	(1)
					78 000	
Financed by						
Capital at 1 January 2005					74 000	(1)
Add Profit for the year					13 000	(1)
					87 000	
less drawings					9 000	(1)
					78 000	
				(1)	to agree balance	

[10]

(b) Return on capital employed = profit/opening capital
= 13 000 (1)/74 000 (1)
= 17.57% (1) **[3]**

Total marks [13]