

**CAMBRIDGE INTERNATIONAL EXAMINATIONS**

Cambridge International General Certificate of Secondary Education

[www.PapaCambridge.com](http://www.PapaCambridge.com)

## **MARK SCHEME for the March 2015 series**

### **0452 ACCOUNTING**

**0452/12**

Paper 12, maximum raw mark 120

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 will not enter into discussions about these mark schemes.

Cambridge is publishing the mark schemes for the March 2015 series for most Cambridge IGCSE® components.

® IGCSE is the registered trademark of Cambridge International Examinations.

|        |                              |                |
|--------|------------------------------|----------------|
| Page 2 | Mark Scheme                  | Syllabus Paper |
|        | Cambridge IGCSE – March 2015 | 045            |

### Glossary for Q1

- (a) A  $29\,500 - 18\,100 + 11\,300 - 15\,000 = 7700$   
 B  $29\,500 + 18\,100 - 11\,300 - 15\,000 = 21\,300$   
 C  $29\,500 - 18\,100 + 11\,300 + 15\,000 = 37\,700$   
 D  $29\,500 + 18\,100 - 11\,300 + 15\,000 = 51\,300$

- (d) A  $(750/15) \times 4$  months  
 B  $(750/12) \times 4$  months  
 C  $(750/12) \times 8$  months  
 D  $(750/15) \times 11$  months

- (e) A  $78 - 22 - 6$   
 B  $78 - 22$   
 C from question  
 D from question

### Mark scheme

- 1 (a) B  
 (b) C  
 (c) D  
 (d) D  
 (e) A  
 (f) B  
 (g) A  
 (h) C  
 (i) C  
 (j) A

2 (a) An item which an organisation owns/which is owed to the organisation (1)

(b) A statement of financial position is a statement of all the assets and liabilities of an organisation (1) at a specific date (1). An income statement is a statement of all the revenues and costs of an organisation (1) for a specific period (1). [4]

(c)

|                            | Debit | Credit |
|----------------------------|-------|--------|
| Cash                       | ✓     |        |
| Capital                    |       | ✓ (1)  |
| Bonnie – a credit customer | ✓ (1) |        |
| Loan from the bank         |       | ✓ (1)  |
| Other operating expenses   | ✓ (1) |        |
| Purchases returns          |       | ✓ (1)  |

[5]

(d)

| Feb | Account to be debited | \$      | Account to be credited | \$      |
|-----|-----------------------|---------|------------------------|---------|
| 1   | Purchases             | 600     | Abdul                  | 600     |
| 2   | Cash                  | 150 (1) | Sales                  | 150 (1) |
| 3   | Bank                  | 100 (1) | Cash                   | 100 (1) |
| 4   | Drawings              | 50 (1)  | Cash                   | 50 (1)  |
| 5   | Sara                  | 510 (1) | Sales                  | 510 (1) |
| 6   | Abdul                 | 600 (1) | Bank                   | 600 (1) |

[10]

(e)

John  
Cash book (bank columns)

| Date  | Details     | \$      | Date  | Details     | \$       |
|-------|-------------|---------|-------|-------------|----------|
| Feb 1 | Balance b/d | 450 (1) | Feb 6 | Abdul       | 600 (1)  |
| 3     | Cash        | 100 (1) |       |             |          |
| 7     | Balance c/d | 50      |       |             |          |
|       |             | -----   |       |             | -----    |
|       |             | 600     |       |             | 600      |
|       |             | -----   | Feb 8 | Balance b/d | 50 (1of) |

+1 for dates

[5]

|        |                              |              |
|--------|------------------------------|--------------|
| Page 4 | Mark Scheme                  | System Paper |
|        | Cambridge IGCSE – March 2015 | 045          |

(f) Drawings (1)

[Total

3 (a) (i)

Alex  
Provision for depreciation account

| Date   | Details          | \$        | Date   | Details          | \$        |
|--------|------------------|-----------|--------|------------------|-----------|
| 2014   |                  |           | 2014   |                  |           |
| Apr 1  | Disposal account | 6 800 (1) | Jan 1  | Balance b/d      | 6 800 (1) |
| Dec 31 | Balance c/d      | 9 600     | Dec 31 | Income statement | 9 600 (1) |
|        |                  | -----     |        |                  | -----     |
|        |                  | 16 400    |        |                  | 16 400    |
|        |                  | -----     |        |                  | -----     |
|        |                  |           | 2015   |                  |           |
|        |                  |           | Jan 1  | Balance b/d      | 9 600     |
|        |                  |           |        |                  | (1of)     |

+1 for dates

[5]

(ii)

Alex  
Disposal account

| Date  | Details       | \$         | Date  | Details           | \$        |
|-------|---------------|------------|-------|-------------------|-----------|
| 2014  |               |            | 2014  |                   |           |
| Apr 1 | Motor vehicle | 17 000 (1) | Apr 1 | Prov depreciation | 6 800     |
|       |               |            |       | Bank              | 9 400 (1) |
|       |               |            |       | Income statement  | 800 (1of) |
|       |               | -----      |       |                   | -----     |
|       |               | 17 000     |       |                   | 17 000    |
|       |               | -----      |       |                   | -----     |

[4]

(b)

Alex

Statement of Financial Position (extract) at 31 December 2014

Non-current assets (1)

|                | Cost       | Accumulated depreciation | Net book value |
|----------------|------------|--------------------------|----------------|
|                | \$         | \$                       | \$             |
| Motor vehicles | 24 000 (1) | 9 600 (1of)              | 14 400 (1of)   |

[4]

(c)  $14\,400 (1of) \times 40\% = 5\,760 (1of)$

[2]

(d) general journal (1)    cash book (1)

[2]

(e) Money spent on day to day running expenses (1)  
Suitable example (1)

[2]

[Total: 19]

|        |                              |          |
|--------|------------------------------|----------|
| Page 6 | Mark Scheme                  | Syllabus |
|        | Cambridge IGCSE – March 2015 | 045      |

- 4 (a) Total sales = 165 600 + 44 400 = 210 000 (1)  
 Cost of sales = 210 000 × 2/3 (1) = 140 000 (1of)  
 Purchases = 140 000 – 21 600 (1) + 28 800 (1) = 147 200 (1of)

(b)

|        |              | Kriti                        |        |                  |             |
|--------|--------------|------------------------------|--------|------------------|-------------|
|        |              | Sales ledger control account |        |                  |             |
| 2014   |              | \$                           | 2014   |                  | \$          |
| Jan 1  | Balance b/d  | 13 400                       | Jan 1  | Balance b/d      | 120         |
|        |              | <b>(1 for both)</b>          |        |                  |             |
| Dec 31 | Credit sales | 165 600 (1)                  | Dec 31 | Bad debts        | 2 800 (1)   |
|        | Bank         | 90 (1)                       |        | Bank             | 155 010 (1) |
|        | Balance c/d  | 200                          |        | Discount allowed | 4 560 (1)   |
|        |              |                              |        | PLCA             | 1 300 (1)   |
|        |              |                              |        | Balance c/d      | 15 500      |
|        |              | 179 290                      |        |                  | 179 290     |
| 2015   |              |                              | 2015   |                  |             |
| Jan 1  | Balance b/d  | 15 500 (1of)                 | Jan 1  | Balance b/d      | 200 (1)     |

+1 for dates

[10]

- (c) Check for errors in sales ledger  
 May reduce fraud  
 Provides quick total of trade receivables  
 Provides summary of trade receivables transactions  
 Any two reasons (1) each

[2]

- (d) Customer overpays  
 Customer returns goods after payment  
 Customer did not deduct discount before payment  
 Any one reason (1)

[1]

- (e) A provision for doubtful debts does not affect an individual debtor's account (1)

[1]

[Total: 20]

5 (a)

| Cost                             | Overhead section of the manufacturing account | Income statement |
|----------------------------------|---|------------------|
| Office rent                      |   | ✓                |
| Factory rent                     | ✓ (1)   |                  |
| Carriage outwards                |   | ✓ (1)            |
| Depreciation of machinery        | ✓ (1)   |                  |
| Depreciation of office equipment |   | ✓ (1)            |
| Discount allowed                 |   | ✓ (1)            |
| Salesman's salary                |   | ✓ (1)            |
| Administration costs             |   | ✓ (1)            |

[7]

(b)

Harrington  
Manufacturing Account (extract) for the year ended 31 December 2014

|  | \$     |     | \$      |
|--|--------|-----|---------|
| Inventory of raw materials at 1 January 2014   |        |     | 5 600   |
| Purchases of raw materials                     | 71 100 |     |         |
| Less purchases returns                         | 1 000  | (1) |         |
|  | 70 100 |     |         |
| Less drawings                                  | 2 000  | (1) |         |
|  | 68 100 |     |         |
| Carriage inwards                               | 2 100  | (1) |         |
|  |        |     | 70 200  |
|  |        |     | 75 800  |
| Inventory of raw materials at 31 December 2014 |        |     | 4 200   |
| Cost of raw materials consumed (1)             |        |     | 71 600  |
| Direct labour                                  |        |     | 52 550  |
| Prime cost (1)                                 |        |     | 124 150 |

[9]

(c) To set prices OR to compare the cost of manufacturing with the cost of buying the goods in. (1)

[1]

(d)  $4200 (1) + 1800 (1) + 5500 (1) = 11\ 500$

[3]

[Total: 20]

6 (a)

|                  | Increase<br>\$ | Decrease<br>\$  | \$                  |
|------------------|----------------|-----------------|---------------------|
| Draft profit     |                |                 | 26 200              |
| Error 1          | 400 (1)        |                 |                     |
| Error 2          |                | 600 (1)         |                     |
| Error 3          | 2 000 (1)      |                 |                     |
| Error 4          | <u>50 (1)</u>  | <u>        </u> |                     |
|                  | <u>2 450</u>   | <u>600</u>      | <u>1 850</u>        |
| Corrected profit |                |                 | <u>28 050 (1of)</u> |

[5]

(b)

Arun  
Statement of Financial Position at 31 January 2015  
\$

|                                       |                   |
|---------------------------------------|-------------------|
| Non-current assets                    |                   |
| Fixtures and fittings                 | 20 800            |
| Motor vehicles                        | 12 100            |
|                                       | <u>32 900 (1)</u> |
| Current assets                        |                   |
| Inventory                             | 15 900 (1)        |
| Trade receivables (8700 – 600)        | 8 100 (1)         |
| Other receivables                     | 400 (1)           |
| Cash and cash equivalents (1100 + 50) | 1 150 (1)         |
|                                       | <u>25 550</u>     |
| Total assets                          | <u>58 450</u>     |
| Capital at 1 February 2014            | 28 400 (1)        |
| Profit for the year                   | 28 050 (1of)      |
|                                       | 56 450            |
| Drawings 10 000 (1) + 2000 (1)        | 12 000            |
| Capital at 31 January 2015            | <u>44 450</u>     |
| Current liabilities                   |                   |
| Trade payables                        | 14 000 (1)        |
| Total liabilities                     | <u>58 450</u>     |

[10]



- (c) Accruals (matching)  
Costs and revenues should be matched (1) within an accounting period (1)  
Any suitable example (1)

Business entity

The business is treated as being separate from the owner (1). The business records are from the viewpoint of the business (1).

Any suitable example (1)

[6]

- (d)

|                                      | Increase | Decrease |
|--------------------------------------|----------|----------|
| Gross profit margin                  | ✓ (1)    |          |
| Rate of inventory turnover (in days) | ✓ (1)    |          |
| Net profit margin                    | ✓ (1)    |          |
| Return on capital employed           | ✓ (1)    |          |

[4]

[Total: 25]