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**ACCOUNTING**

**0452/13**

Paper 1

**May/June 2017**

MARK SCHEME

Maximum Mark: 120

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**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 will not enter into discussions about these mark schemes.

Cambridge is publishing the mark schemes for the May/June 2017 series for most Cambridge IGCSE<sup>®</sup>, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

Question	Answer	Marks
Glossary for Question 1		
(d)	A charge for year B accumulated depreciation C straight line D net book value	
(f)	A $426\,000 + 90\,000 - 40\,000 - 25\,000 = 451\,000$ B $426\,000 + 90\,000 - 40\,000 = 476\,000$ C $426\,000 + 90\,000 - 40\,000 + 25\,000 = 501\,000$ D $426\,000 + 90\,000 = 516\,000$	
(h)	A $72\,000 \times 1.6 = 115\,200$ B $80\,000 \times 1.6 = 128\,000$ C $72\,000 \div 0.4 = 180\,000$ D $80\,000 \div 0.4 = 200\,000$	
(j)	A $(14\,000 - 2000) \times 0.2 = 2400$ B $(14\,000 + 3600 - 2\,000) \times 0.2 = 3120$ C $(14\,000 + 3600) \times 0.2 = 3520$ D $(14\,000 + 3600 - 2000) \times 0.25 = 3900$	

<b>Question</b>	<b>Answer</b>	<b>Marks</b>
1(a)	A (1)	1
1(b)	C (1)	1
1(c)	B (1)	1
1(d)	B (1)	1
1(e)	D (1)	1
1(f)	B (1)	1
1(g)	D (1)	1
1(h)	A (1)	1
1(i)	C (1)	1
1(j)	B (1)	1

Question	Answer	Marks																									
2(a)	An income statement shows incomes and expenses <b>(1)</b> and is prepared for a period of time <b>(1)</b> . A statement of financial position shows assets and liabilities <b>(1)</b> and is prepared at a particular date <b>(1)</b> .	<b>4</b>																									
2(b)	<table border="1" data-bbox="584 325 1561 603"> <thead> <tr> <th></th> <th>asset</th> <th>liability</th> <th>income</th> <th>expense</th> </tr> </thead> <tbody> <tr> <td>bank loan</td> <td></td> <td>✓(1)</td> <td></td> <td></td> </tr> <tr> <td>insurance</td> <td></td> <td></td> <td></td> <td>✓(1)</td> </tr> <tr> <td>equipment</td> <td>✓(1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>depreciation charge</td> <td></td> <td></td> <td></td> <td>✓(1)</td> </tr> </tbody> </table>		asset	liability	income	expense	bank loan		✓(1)			insurance				✓(1)	equipment	✓(1)				depreciation charge				✓(1)	<b>4</b>
	asset	liability	income	expense																							
bank loan		✓(1)																									
insurance				✓(1)																							
equipment	✓(1)																										
depreciation charge				✓(1)																							
2(c)	Income statement \$1500 <b>(1)</b> Statement of financial position \$4500 <b>(1)</b>	<b>2</b>																									
2(d)	<ul style="list-style-type: none"> <li>accounts of the same type can be kept together</li> <li>helps to locate errors</li> <li>allows tasks to be divided between different people</li> <li>deters fraud</li> <li>allows checking procedures to be introduced</li> <li>any one for <b>(1)</b> mark</li> </ul>	<b>1</b>																									
2(e)(i)	Sales ledger – accounts of individual credit customers <b>(1)</b> Purchases ledger – accounts of individual credit suppliers <b>(1)</b>	<b>2</b>																									
2(e)(ii)	any suitable example for <b>(1)</b> mark e.g. sales, purchases, insurance	<b>1</b>																									

Question	Answer	Marks				
2(f)	cash book petty cash book sales journal sales returns journal purchases journal purchases returns journal general (nominal) journal any two for <b>(1)</b> mark each	<b>2</b>				
2(g)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: center;">true or false</td> </tr> <tr> <td>The recording of financial transactions is called accounting</td> <td style="text-align: center;">false <b>(1)</b></td> </tr> </table>		true or false	The recording of financial transactions is called accounting	false <b>(1)</b>	<b>1</b>
	true or false					
The recording of financial transactions is called accounting	false <b>(1)</b>					

Question	Answer	Marks												
3(a)(i)	in the books of Pich  <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">debit account</td> <td style="text-align: center;">\$</td> <td style="text-align: left;">credit account</td> <td style="text-align: center;">\$</td> </tr> <tr> <td style="text-align: right;">Roger</td> <td style="text-align: center;">5000 <b>(1)</b></td> <td style="text-align: left;">sales</td> <td style="text-align: center;">5000 <b>(1)</b></td> </tr> </table>	debit account	\$	credit account	\$	Roger	5000 <b>(1)</b>	sales	5000 <b>(1)</b>	<b>2</b>				
debit account	\$	credit account	\$											
Roger	5000 <b>(1)</b>	sales	5000 <b>(1)</b>											
3(a)(ii)	in the books of Roger  <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">debit account</td> <td style="text-align: center;">\$</td> <td style="text-align: left;">credit account</td> <td style="text-align: center;">\$</td> </tr> <tr> <td style="text-align: right;">purchases</td> <td style="text-align: center;">5000 <b>(1)</b></td> <td style="text-align: left;">Pich</td> <td style="text-align: center;">5000 <b>(1)</b></td> </tr> </table>	debit account	\$	credit account	\$	purchases	5000 <b>(1)</b>	Pich	5000 <b>(1)</b>	<b>2</b>				
debit account	\$	credit account	\$											
purchases	5000 <b>(1)</b>	Pich	5000 <b>(1)</b>											
3(b)	Invoice <b>(1)</b> Pich <b>(1)</b>	<b>2</b>												
3(c)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">debit account</td> <td style="text-align: center;">\$</td> <td style="text-align: left;">credit account</td> <td style="text-align: center;">\$</td> </tr> <tr> <td style="text-align: right;">bank</td> <td style="text-align: center;">4875 <b>(1)</b></td> <td style="text-align: left;">Roger</td> <td style="text-align: center;">5000 <b>(1)</b></td> </tr> <tr> <td style="text-align: right;">discount allowed</td> <td style="text-align: center;">125 <b>(1)</b></td> <td></td> <td></td> </tr> </table>	debit account	\$	credit account	\$	bank	4875 <b>(1)</b>	Roger	5000 <b>(1)</b>	discount allowed	125 <b>(1)</b>			<b>3</b>
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Question	Answer	Marks																																																																																																																																								
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Question	Answer	Marks												
3(g)	<p style="text-align: center;">Pich</p> <p style="text-align: center;">Statement of Financial Position (extract) at 28 February 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Current assets</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 30%;"></td> </tr> <tr> <td>Trade receivables</td> <td style="text-align: right;">63 700</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Provision for doubtful debts</td> <td style="text-align: right;"><u>(2 548)</u></td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>61 152</u></td> <td style="text-align: right;">(1)OF</td> </tr> </table>	Current assets	\$		Trade receivables	63 700	(1)	Provision for doubtful debts	<u>(2 548)</u>	(1)OF		<u>61 152</u>	(1)OF	<b>3</b>
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	<u>61 152</u>	(1)OF												

Question	Answer	Marks																		
4(a)	A copy of the customer's account as it appears in the books of the bank. (1)	<b>1</b>																		
4(b)	3 and 4 (1)	<b>1</b>																		
4(c)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td>original balance</td> <td style="text-align: right;">2890</td> <td></td> </tr> <tr> <td>correction of error</td> <td style="text-align: right;">90</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>bank charges</td> <td style="text-align: right;">(50)</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>dishonoured cheque</td> <td style="text-align: right;"><u>(200)</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>updated balance</td> <td style="text-align: right;"><u>2730</u></td> <td style="text-align: right;">(1)OF</td> </tr> </table> <p style="text-align: center;">accept alternative presentation</p>		\$		original balance	2890		correction of error	90	(1)	bank charges	(50)	(1)	dishonoured cheque	<u>(200)</u>	(1)	updated balance	<u>2730</u>	(1)OF	<b>4</b>
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4(d)	<p style="text-align: center;">Yeo</p> <p style="text-align: center;">Bank Reconciliation Statement at 30 April 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td>Balance in cash book (1)</td> <td style="text-align: right;">2730</td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td>Add unrepresented cheque</td> <td style="text-align: right;"><u>400</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right;">3130</td> <td></td> </tr> <tr> <td>Less uncredited deposit</td> <td style="text-align: right;"><u>(180)</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Balance on bank statement (1)</td> <td style="text-align: right;"><u>2950</u></td> <td style="text-align: right;">(1)OF</td> </tr> </table> <p style="text-align: center;">accept alternative presentation</p>		\$		Balance in cash book (1)	2730	(1)OF	Add unrepresented cheque	<u>400</u>	(1)		3130		Less uncredited deposit	<u>(180)</u>	(1)	Balance on bank statement (1)	<u>2950</u>	(1)OF	<b>6</b>
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4(e)	\$2730 (1)OF current assets (1)OF	<b>2</b>																		

Question	Answer	Marks
4(f)	insufficient funds in account no signature on cheque wrong signature no date words and figures do not agree cheque is out of date any one for <b>(1)</b> mark	<b>1</b>
4(g)	preparing of trial balance <b>(1)</b> OR preparing of control account <b>(1)</b>	<b>1</b>

Question	Answer	Marks
5(a)	more capital introduced to business more expertise available responsibilities are shared e.g. holidays, sickness risk is shared losses are shared any two for <b>(1)</b> mark each	<b>2</b>
5(b)(i)	To record the difference between the amounts earned from the partnership and the amounts withdrawn from the partnership <b>(1)</b> To show the retained profit of each partner <b>(1)</b> To make it easier to calculate interest on capital <b>(1)</b> To reveal excess drawings <b>(1)</b>  <b>[max 1]</b>	<b>1</b>
5(b)(ii)	Ann owes money to the partnership. <b>(1)</b> The partnership owes money to Bindu. <b>(1)</b>	<b>2</b>



Question	Answer	Marks																																																															
5(c)	<p>Ann and Bindu                      Appropriation Account for the year ended 28 February 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;">24 500</td> <td></td> </tr> <tr> <td>Less interest on capital – Ann</td> <td style="text-align: right;">3000</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">– Bindu</td> <td style="text-align: right;"><u>2500</u></td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">5 500</td> </tr> <tr> <td>Less salary – Ann</td> <td></td> <td style="text-align: right;"><u>4 000</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">15 000</td> </tr> <tr> <td>Shares of profit – Ann</td> <td style="text-align: right;">9000</td> <td style="text-align: right;">(1)OF</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">– Bindu</td> <td style="text-align: right;"><u>6000</u></td> <td style="text-align: right;">(1)OF</td> <td style="text-align: right;"><u>15 000</u></td> </tr> </table>		\$	\$		Profit for the year		24 500		Less interest on capital – Ann	3000	(1)		– Bindu	<u>2500</u>	(1)	5 500	Less salary – Ann		<u>4 000</u>	(1)				15 000	Shares of profit – Ann	9000	(1)OF		– Bindu	<u>6000</u>	(1)OF	<u>15 000</u>	5																															
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5(g)	The loss arising from the damage is recorded in the same year as the damage occurred. <b>(1)</b>	<b>1</b>

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