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for the guidance of teachers

0452 ACCOUNTING

0452/03

Paper 3, maximum raw mark 100

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 must be read in conjunction with the question papers and the report on the examination.

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	Mark Sch	eme: Tead	Syl	Syllabus Ser				
	IGCS	SE – May/J	lune 20	009	0	452	Nag.	
(a) (i)				e Mundor es accour			Papacannuridge	
2007 Mar 1	Valley Motors	\$ <u>9 500</u> <u>9 500</u>	(1)	2008 Feb 29	Balance c/d	\$ <u>9 500</u> <u>9 500</u>		
2008 Mar 1 2008	Balance b/d	9 500		2009 Feb 28	Balance c/d	20 300		
Jul 1	Bank	<u>10 800</u> 20 300	(1)			20 300		
2009 Mar 1	Balance b/d	20 300	(1)					
(ii)	Provision	for depreci	iation o	f motor v	ehicles account			
2008 Feb 28 2009	Balance c/d	\$ <u>1 900</u> <u>1 900</u>	I	2008 Feb 29 2008	Profit & loss	\$ <u>1 900</u> <u>1 900</u>	(1)	
Feb 28	Balance c/d	5 240		Mar 1 2009 Feb 28	Balance b/d Profit & loss 1 900 (1)	1 900	(1)O/F	
		<u>5 240</u>	:	2009	<u>1 440</u> (1)	<u>3 340</u> <u>5 240</u>		
				Mar 1	Balance b/d	5 240	(1)O/F	
			+ (1) da	ates			[9]	
(a) Alternat (i)	ive presentation			e Mundor es accour				
				Debit	Credit		lance	
2007 Mar 1 2008	Valley Motors		\$ 9 50	00 (1)	\$	\$ 9 500	Dr	
July 1	Bank		10 80	00 (1)		20 300	Dr (1)	
(ii)	for depreciation of motor vehicles			ehicles account				
			Debit				lance	
0000			\$		\$ 1 900 (1)	\$ 1 900	Cr (1)O/F	
2008 Feb 29 2009	Profit & loss							
	Profit & loss Profit & loss		1 90 1 44		3 340	5 240	Cr (1)O/F	

b) Tony and Alice Mundondo Extract from Balance Sheet at 28 February 2009 Fixed assets Cost Depreciation Net book to date value \$ \$ \$	Page 3		Teachers' versior		abus 52
b) Tony and Alice Mundondo Extract from Balance Sheet at 28 February 2009 Fixed assets Cost Depreciation Net book to date value		IGCSE – N	ay/June 2009	04	
Fixed assets Cost Depreciation Net book to date value	b)		y and Alice Mundo	ondo	Ph.
\$ \$ \$		Extract from B	alance Sheet at 28	February 2009	onid
Ψ Ψ Ψ				Depreciation	Net book value

1	·	
L	<u> </u>	

transaction	account to be debited	account to be credited		
eliminating original cost of motor vehicle from ledger	disposal of motor vehicle (1) motor vehicles (1)		
eliminating accumulated depreciation from ledger	provision for deprecation (1	disposal of motor vehicle (1)		
recording part exchange allowance made by Valley Motors	Valley Motors (1	disposal of motor vehicle (1)		
	eliminating original cost of motor vehicle from ledger eliminating accumulated depreciation from ledger recording part exchange allowance	debitedeliminating original cost of motor vehicle from ledgerdisposal of motor vehicleeliminating accumulated depreciation from ledgerprovision for deprecationrecording part exchange allowanceValley Motors		

- (d) (i) Fixed assets are valued at the end of each financial year. (1)
 This value is compared with the previous valuation (or the cost if it is the first year of ownership) and the amount by which the asset has fallen in value is the depreciation for the year. (1)
 - (ii) Hand tools Packing cases

Or other suitable example

Any 1 example (1) mark

[2]

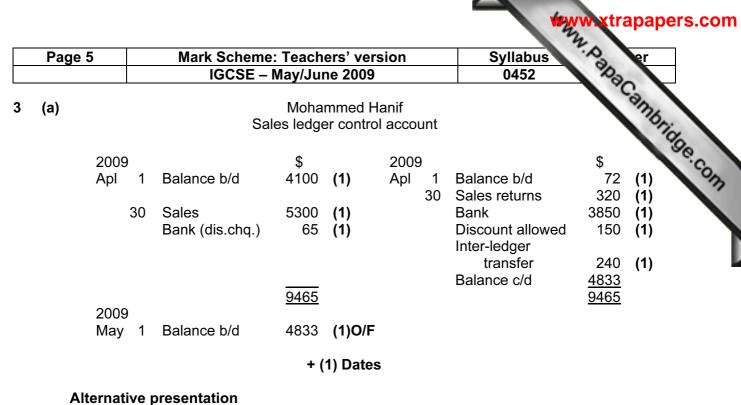
[1]

[Total: 21]

Pag	je 4	M	ark Scheme: Teachers'	version	Syllabus	· · · · · · · · · · · · · · · · · · ·	ſ
			IGCSE – May/June 20	009	0452	Da	
(a)			Morag Ma	Donald		67	
(4)		Profit a	nd Loss Account for the y	ember 2008	(1) (1)	100	
				\$	\$		1
F	Fees fro	om clients (75 050 + 9 000)	Ψ	84 050	(1)	
		ceived (2 7			2 600	(1)	
F	Reducti	ion in provis	sion for doubtful				
	det	ots (250 – 2	25)		25	(1)	
	Less	Property t	2V	1 800 אין רא	<u>86 675</u>		
L	LESS		nd maintenance	2930 (1)			
			5 000 + 2 000)	47 000 (1)			
			and office supplies				
) – 35)	1 755 (1)			
			(1 680 – 240)	1 440 (1)			
			on – Office equipment				
	NI = 4	•	× (10 800 – 8 100))	<u>1 350</u> (1)	<u>56 275</u>		
ſ	Net pro	TIC			<u>30 400</u>	(1)O/F	
	Horizo	ntal format	acceptable				[9]
(b) ⁻	To be a	able to mee	t debts when they fall due				
			advantage of cash discou				
			advantage of business of		v arise		
			re is no difficulty in obtain				
(Or oth	er suitable	explanation				
	Any 1	point (2) m	arks				[2]
		,					•
(c)	Introdu	ce further c	apital				
, i	Reduce	e drawings					
		rplus fixed a					
(Obtain	long term lo	bans				
	Anv tw	vo points (1) each				[2]
-	,,		, ouon				L - -
(d) ((ii) Eff	ect	Working capital decreas	ses bv \$40 (1)			
\/ \	• •	planation	Current assets decreas		ebtors decre	ases.	
			There is no change in t				
/:	;;;) ⊏#	oct	Marking appital daga a	at change (1)			
(I	,	ect planation	Working capital does no The current assets do		a cash incre	ases and the	
	LX	planation	debtors decrease by S				
			liabilities. (1)				
(i		ect	Working capital increas			, ,	
	Ex	planation	Current assets decre	ase by \$96 an	d the curr	rent liabilities	
			decrease by \$100. (1)				[6]
							10

[6]

[Total: 19]



Mohammed Hanif Sales ledger control account

		Debit C			ədit	Balance
2009		\$		\$		\$
Apl 1	Balances	4100	(1)	72	(1)	4028 Dr
30	Sales	5300	(1)		. ,	9328 Dr
	Bank (dis.chq)	65	(1)			9393 Dr
	Sales returns		.,	320	(1)	9073 Dr
	Bank			3850	(1)	5223 Dr
	Discount allowed			150	(1)	5073 Dr
	Inter-ledger transfer			240	(1)	4833 Dr (1)O/F
	U U				. ,	

+ (1) Dates

(b) Overpayment of amount due by debtor Cash discount not deducted by debtor before payment made Goods returned by debtor after payment of amount due Payment made in advance by debtor

Or other suitable point

Any 1 reason (1) mark

[10]

[1]

Page 6	Mark Scheme: 1	feachers' version	Syllabus
	IGCSE – Ma	IGCSE – May/June 2009	
(c)	Item	Entry in purch control a	
(ii)	Cash purchases	No entry	(1)
(iii)	Discount received	Debit	(1)

(c)		Item	Entry in purchases ledger control account	
	(ii)	Cash purchases	No entry (1	1)
	(iii)	Discount received	Debit (1	1)
	(iv)	Interest charged by supplier on overdue account	Credit (1	1)

[3]

[2]

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(d) Financial information is only relevant if it can be used -

To correct or confirm prior expectations about past events To assist in forming, revising or confirming expectations about the future As a basis for financial decisions In time to be able to influence decisions

Explanation of any 1 point (2)

- (e) (ii) Money measurement Accounts only record information which can be expressed in monetary terms. (1) This means that many factors which affect the performance of a business will not appear in the accounting records. (1) [2] (iii) Time factor
 - Accounting statements are a record of what has happened in the past. (1) Either They are not necessarily a guide to future performance (1) Significant events can occur between the end of the financial period and the Or time when the accounting statements are available. (1)
 - [Total: 20]

[2]

Page 7		Mark Schem	e: Teache	ers' ve	ersion			Sylla	abus		·A.	er
			- May/Jun						52		8	3
(a)			Lobatse Subscrip									Camb
2008 Apl 1 2009	Ba	alance b/d	\$ 50	(1)	2008 Apl 1 2009	Ва	alan	ce b/d		\$ 100	(1)	trapap 38 Cannun
Mar 31	In	come & expenditure (1)	<u>2500</u> 2550	(1)	Mar 31		ank alan	ce c/d	2	250 <u>200</u> 550	(1)	
2009 Apl 1	Ba	alance b/d	200	(1)								
) Dat	es							
Alter	nativ	e presentation										
			Lobatse Subscrip									
200	8	Debit \$		\$	Cre	edit		ç	Bal ₿	ance		
Ap 2009	1 9	Balances	5	0 (1)	1	00	(1)			50	Cr
Mar	31	Bank Income &				22	250	(1)		23	300	Cr
		expenditure (1) 250	0 (1)						200	Dr (1)
			+ (1	I) Dat	es							[
(b)	ncom	e and Expenditure <i>i</i>	Lobatse Account fo			d 3 [.]	1 Ma	arch 20	009			
					\$				\$			
	criptio	v – entrance fees			520			2	2500	(1)	O/F	
		less expenses ceived			<u>370</u>	<u>)</u>		2	150 <u>100</u> 2750	(2) (1)		
Secre	nditur etarial rtising	expenses			210 40	. ≻ I`	1)					
Gene Rent	eral ex (1530	(penses (490 – 20)) + 30) on – equipment			470 1560	•	1) 1)					
. (4	4400	+ 1800) × 10% the year (1)			620	<u>)</u> (1)		2 <u>900</u> 150	(1)	O/F	

Horizontal format acceptable

[10]

Page	8	Mark Scheme: Teachers' version	Syllabus 7.0 er	
		IGCSE – May/June 2009	0452	
(c) (i)	Open	r ing balance or closing balance (1) ing/closing bank balance is neither income nor sents the amount of money in the bank on that p		bidge.co
	Or Trans	sfer to bank deposit account (1)		

(c) (i) Either

Transfer to bank deposit account (1)

Transferring money from one bank account to another is neither income nor expenditure. (1)

Or

Purchase of equipment (1)

This is not regarded as revenue expenditure as it is the purchase of a fixed asset. (1) [2]

(ii) Either

Subscriptions prepaid on 1 April 2008 (1) This item represents an amount received during the previous financial year which relates to the current financial year. Application of matching principle. (1)

Or

Subscriptions owed by member 31 March 2009 (1) This item represents an amount relating to the current financial year which has not yet been received. Application of matching principle. (1)

Or

Rent accrued (1)

This item represents an amount relating to the current financial year which has not vet been received. Application of matching principle. (1)

Or

Depreciation of equipment (1)

This is a non-monetary expense but must be taken into account in calculating the surplus/deficit. Application of matching principle. (1)

Or

Deficit for the year (1)

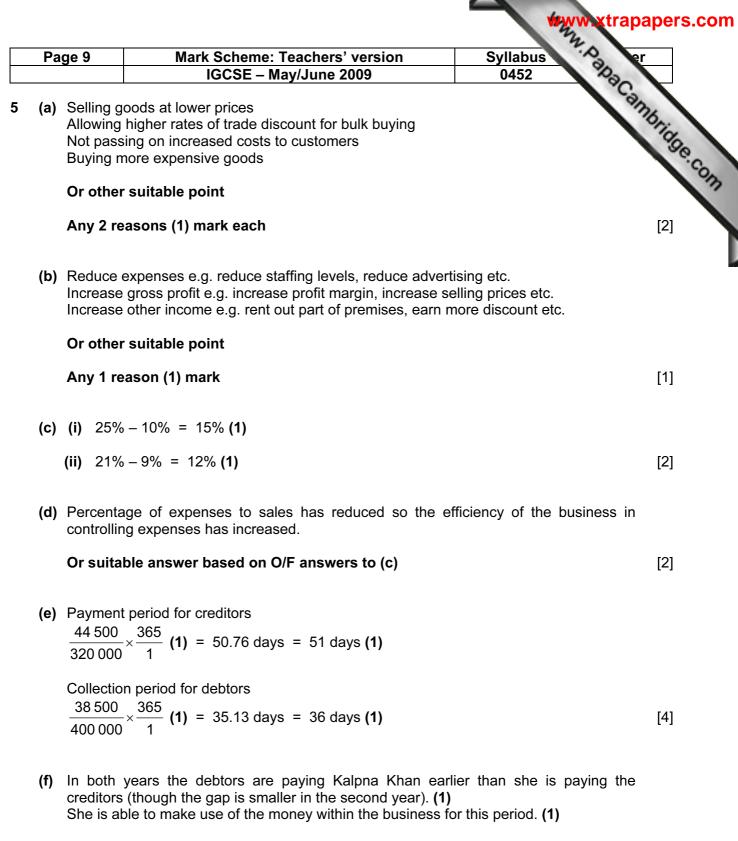
This is the difference between the income and expenditure and is the "loss" for the year and does not represent money paid/received. (1)

Alternatively accept surplus with a suitable comment if a surplus is shown in the answer to (b).

[Total: 21]

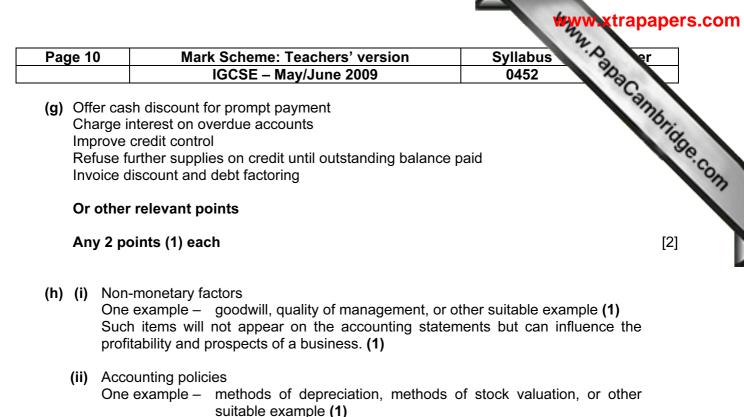
[2]

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Or other suitable comments up to (2) marks

[2]



These will affect calculation of the profit and the profitability ratios and the value of the assets. (1)

[4]

[Total: 19]