CAMBRIDGE INTERNATIONAL EXAMINATIONS

International General Certificate of Secondary Education

MARK SCHEME for the May/June 2013 series

0452 ACCOUNTING

0452/23

Paper 2, 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 May/June 2013 series for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level components and some Ordinary Level components.



Pa	age 2	Mark Scheme	Syllabus	Paper
		IGCSE – May/June 2013	0452	23
1 (a)	Removes Reduces Reduces Allows th	d small cash payments s small cash payments from the main cash book s the number of entries in the main cash book the number of entries in the ledger he chief cashier to delegate some of the work training for any junior staff members		
	Any 2 po	oints (1) each		[2]
(b)	petty cas The cash	shier knows exactly how much is spent in each r sh n remaining and the vouchers received should equa o reduce fraud		I expenditure of
	Any 1 ac	dvantage (1)		[1]
(c)	See follo	owing page		[12]
(d)	At the m	onth end (1) the totals debited to postage account (1)	[2]
(e)	Amounts	s not presented not credited ok errors		
	Any 2 ite	ems (1) each		[2]
(f)		ebits ansfers ured cheques arges/interest		
	Any 2 ite	ems (1) each		[2]
				[Total: 21]

Page 3	Mark Scheme	Syllabus	Paper
	IGCSE – May/June 2013	0452	23

Question 1 (c)

Annie Rongsen – Petty Cash Book

Total received	Date	Details	Total paid	Postage	Travel	Sundries	Ledger accounts
\$	2013		\$	\$	\$	\$	\$
23	Mar 1	Balance b/d					
67 (1)		Bank/cash					
	4	Postages	19	19 (1)			
	8	Taxi fares	16		16 (1)		
20 (1)	13	Loan repayment					
	19	Parcel post	4	4 (1)			
	23	R Singh	24				24 (1)
	29	Window Cleaner	12			12 (1)	
			75	23	16	12	24
	31	Balance c/d	35				
110			110				
35 (1) OF	Apr 1	Balance b/d					
55 (1) OF		Bank/cash					

(1) Dates

(1) OF totals of analysis columns(1) OF totals and total columns

Page 4		Mark Scheme		Syllabus	Pa	aper
		IGCSE – May/June 2013		0452		23
(a)						
		Ashraf Zayed				
		Income statement for the year ended	d 28 Februar	y 2013		
			\$		\$	
Reve	enue				323 000	(1)
Cost	t of sa	les				.,
		oduction	267 10	0 (1)		
	-	s of finished goods	4 30	• • •		
i uic	11030			、 ,		
			271 40			
Less	s Clos	ing inventory finished goods	19 60	<u>0_</u> (1)	251 800	
Gros	ss pro	fit			71 200	(1) OF
						(.,
Hari	Tonto	l format accontable				Г
попл	zonta	al format acceptable				[{
<i></i>						
• •		n did not meet demand				
lt wa	as che	eaper to buy rather than make				
Cou	ild not	t make those particular items				
		omical to make such a small amount				

Any 2 reasons (1) each

[2]

Ashraf Zayed Journal			
	Debit \$	Credit \$	
Income statement	1130		(1)
Carriage outwards		1130	(1
Transfer of carriage outwards to income statement			(1)
Income statement	600		(1)
Provision for doubtful debts		600	(1
Creation of provision for doubtful debts			(1)

Page 5	Mark Scheme		Syllab	ous	Paper	
-	IGCSE – May/June 2	2013	045	2	23	
(d)						
(·)	А	shraf Zayed				
		nsurance acc	ount			
	\$				\$	
2012		2013				
Jun 1 Bank	720 (1)	Feb 28	•		360 ((1)
			Income statement		270 ((1)
			Statement	OF	270 ((')
			Balance c/d		90	
	720				720	
2013						
Mar 1 Balance	b/d 90 (1) OF	=				

+ (1) Dates

Accept three column running balance presentation

(e) The accruals (matching) principle requires the revenue of the accounting period to be matched against the costs of the same period. (1) The insurance relating to the financial year ended 28 February 2013 has been transferred to the income statement. (1) [2]

(f)

	Overstated \$	Understated \$
Profit of the year ended 28 February 2013	270 (2) O/F	

[2]

[5]

(g) Applying the business (accounting entity principle the business is treated as being completely separate from the owner. (1) [2]

Only the transactions of the business are recorded in the business' books. (1)

[Total: 24]

Page 6		Mark Schem IGCSE – May/Jun		Sylla 04		Pape 23
(a)			h Jaffer at 31 January 2	013		
	Capital		Debit \$	Credit \$ 53 000		
	Drawings		6 100			
	Revenue			66 000		
	Purchases		43 350			
	Purchases returr	IS		1 150		
	Inventory		3 700		(2)	
	Bank overdraft			3 050	(2)	
	Trade receivable	S	5 320			
	Trade payables			3 450		
	General expense	es	17 850			
	Non-current asse	ets	50 400			
	Suspense (1)			70	(1) OF	
			126 720	126 720	(1) CF	

(b)

	Debit			Credit		
	Account	\$		Account	\$	
(ii)	General expenses	400	(1)	Non-current assets	400	(1)
(iii)	-	-	(1)	Suspense	80	(1)
(iv)	Suspense	100	(1)	Purchases returns	100	(1)
(v)	Suspense	50	(1)	General expenses	50	(1)

[7]

Page	7	Mark Scheme	Syllabus	Paper
		IGCSE – May/June 2013	0452	23
(c) Ei	Err	or number (i) (1) asons it is an error or omission Neither a debit nor a credit entry has been made	so the books balance	ce
	An	y 1 reason (1)		
Oı	Err	or number (ii) (1) ason it is an error of principle A double entry has been made but in the wrong c	class of account.	
	An	y 1 advantage (1)		
(d) Mo	oney	measurement		
(e) Re	ealisa	tion		
(f) (i)	Eas Eas	rk can be shared amongst several people sier for reference as the same types of account are sier to introduce checking procedures ke fraud more difficult	e kept together	
	An	y 1 advantage (1)		
(ii)) 1	Any non-current asset, inventory, capital, drawing expenses, incomes, etc. (1)	gs, loan, sales, purcl	hases, return
	2	Credit customers/debtors/trade receivables (1)		
	3	Credit suppliers/creditors/trade payables (1)		
				[Total: '

[Total: 23]

(a) Sildean Ltd Calculation of retained profit for the year ended 30 April 2013 \$ s Profit for the year 24 800 Less Debenture interest $\frac{1600}{23 200}$ (1) Less Interim ordinary share dividend 14 000 (1) Transfer to general reserve $\frac{5000}{4200}$ (1) $\frac{19000}{4200}$ (1) CF Alternative forms of presentation acceptable (b) Sildean Ltd Balance Sheet at 30 April 2013 Non-current assets Cost Depreciation Book to date value $\frac{206 000}{12 500}$ 193 500 Current assets 15 400 Provision for doubtful debts $\frac{462}{4200}$ (1) Trade receivables 15 400 Provision for doubtful debts $\frac{462}{31 438}$ (1) Trade verdraft 7 982)(1) Other payables (deb. int.) $\frac{1600}{12 500}$ (1) $\frac{23 738}{1438}$ Net current assets $\frac{40000}{161 200}$ (1) Capital and reserves Ordinary shares of \$0.50 each $\frac{140000}{161 200}$ (1) $\frac{15000}{161 200}$	Paper 23	Syllabus P 0452	2013	Mark Scheme E – May/June 2		Page 8	
Calculation of retained profit for the year ended 30 April 2013Profit for the year24 800Less Debenture interest $\frac{1 600}{23 200}$ (1)Less Interim ordinary share dividend14 000 (1)Transfer to general reserve $5 000$ (1)Profit retained in the year $\frac{4 200}{4 200}$ (1) CFAlternative forms of presentation acceptable(b)Sildean LtdBalance Sheet at 30 April 2013Non-current assets\$ \$ \$ \$ \$ \$Current assetsCostInventory16 300}Petty cash200)(1)Trade receivables15 400Provision for doubtful debts46214 156}Bank overdraft7 982)(1)Other payables (deb. int.)1 600 (1)23 738Vet current assets $\frac{7 700}{201 200}$ 4% Debentures40 000 (1)Capital and reservesOrdinary shares of \$0.50 eachOrdinary shares of \$0.50 eachOrdinary shares of \$0.50 each140 000 (1)SonoCapital and reservesOrdinary shares of \$0.50 eachOrdinary shares of \$0.50 eachCapital and reservesOrdinary shares of \$0.50 eachOrdinary shares of \$0.50 eachCapital and reservesOrdinary shares of \$0.50 eachOrdinary shares of \$0.50 each<	23	0432	.015		1903		
Calculation of retained profit for the year ended 30 April 2013Profit for the year $$$ Less Debenture interest $\frac{1600}{23200}$ Less Interim ordinary share dividend14 000 (1)Transfer to general reserve 5000 (1)Profit retained in the year 4200 (1) CFAlternative forms of presentation acceptable(b)Sildean LtdBalance Sheet at 30 April 2013Non-current assets $$$			d	Sildean L		(a)	
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$\begin{array}{c cccc} & \underline{206\ 000} & \underline{12\ 500} & \underline{193\ 500} \\ \hline Current assets \\ Inventory & 16\ 300 \\ Petty cash & 200 \\ \hline Trade receivables & 15\ 400 \\ Provision for doubtful debts & \underline{462} & \underline{14\ 938}\ (1) \\ 31\ 438 \end{array} \\ \hline Current liabilities \\ \hline Trade payables & 14\ 156 \\ Bank overdraft & 7\ 982 \\ Other payables (deb. int.) & \underline{1\ 600\ (1)} & \underline{23\ 738} \\ Net current assets & & \underline{7\ 700} \\ 201\ 200 \\ 4\% \ Debentures & & \underline{40\ 000\ (1)} \\ 161\ 200 \\ \hline \\ Capital and reserves \\ Ordinary shares of \$0.50 each & 140\ 000\ (1) \\ General reserve (10\ 000\ (1)\ +\ 5000\ (1)) & 15\ 000 \\ \hline \end{array}$			-	Cost	assets	Non-current	
Inventory16 300} 200}(1)Petty cash 200 (1)Trade receivables15 400Provision for doubtful debts46214 938 (1) 31 438Current liabilitiesTrade payables14 156}Bank overdraft7 982)(1)Other payables (deb. int.)1 600 (1)23 738Net current assets $\frac{7 700}{201 200}$ 4% Debentures $\frac{40 000}{161 200}$ (1)Capital and reserves $140 000$ (1)Ordinary shares of \$0.50 each140 000 (1)General reserve (10 000 (1) + 5000(1))15 000				<u>206 000</u>			
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Other payables (deb. int.) 1 600 (1) 23 738 Net current assets 7 700 4% Debentures 40 000 (1) 161 200 161 200 Capital and reserves 140 000 (1) Ordinary shares of \$0.50 each 140 000 (1) General reserve (10 000 (1) + 5000(1)) 15 000				14 156 }	oles	Trade payab	
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4% Debentures 201 200 4% Debentures 40 000 (1) 161 200 161 200 Capital and reserves 140 000 (1) Ordinary shares of \$0.50 each 140 000 (1) General reserve (10 000 (1) + 5000(1)) 15 000			<u>23 738</u>	<u> 1 600</u> (1)	. ,		
4% Debentures 40 000 (1) 161 200 Capital and reserves 140 000 (1) Ordinary shares of \$0.50 each 140 000 (1) General reserve (10 000 (1) + 5000(1)) 15 000					assets	Net current a	
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Ordinary shares of \$0.50 each140 000 (1)General reserve (10 000 (1) + 5000(1))15 000		<u>161 200</u>					
General reserve (10 000 (1) + 5000(1)) 15 000							
		· · ·					
Retained profits (2000 (1) + 4200 (1) OF) 6 200							
				200 (1)UF)	onts (2000 (1) + 4)	Retained pro	
<u>161 200</u>		101 200					
Horizontal format acceptable				e	ormat acceptabl	Horizontal f	

[10]

)	Mark Scheme	040	Syllabus	Paper
		IGCSE – May/June 2	.013	0452	23
(c) (i)		38 (OF) : 23 738 (OF) (1) (1) OF			[
(ii)		438 (OF) – 16 300) : 23 738 (OF) (1) (OF)	(1)		[
(iii)	asse	ws whether the company can pay i ets (current assets less inventory) (ation of the liquidity of the compan	(1)	rrent) liabilities fro	om the liquid
	Or s	uitable answer based on O/F and	swer to (ii)		[
(iv)	Issu Obta Sell Red	e additional shares e additional debentures ain long term loan surplus non-current assets uced dividends paid uce inventory level			
	Any	2 points (1) each			I
Orc Orc Orc Orc Orc Orc	dinary dinary dinary dinary dinary dinary	shareholders are members of the shares carry voting rights shareholders receive a dividend share dividend is a share of the pr share dividend is variable share dividend is paid after any div shareholders are repaid last in the	rofit vidend on prefere		
An	y 2 fe	atures (1) each			I
Del Del Del Del	bentu bentu bentu bentu bentu	res are loans re holders are not members of the res do not carry voting rights res carry a fixed rate of interest re interest is not dependent on the res are often secured on the assets	company's profit s of the company	,	
	bentu	res holders are repaid before the s		e event of a wind	ing up

[Total: 26]

	Mark Scheme		Syllabus	Paper
	IGCSE – May/June 201	3	0452	23
(a)	Tom and Gill K	avumba		
	ent of corrected profit for the		1 March 2013	
	F F	-		
		\$	\$	
Profit for the year		coo (a)	22 500	
Add Advertising prepa		600 (2) 1 000 (2)		
Goods taken for own use Motor vehicle expenses accrued		<u>320</u> (2)	1 920	
		<u> </u>	24 420	
Less Stationery purchased			<u>260</u> (2)	
Corrected profit for th	e year		<u>24 160</u> (1) O/F	
Alternative forms of	presentation acceptable			
(b)	Tom and Gill Kay	umbo		
(b) Stateme	ent of corrected profit for the		1 March 2013	
Oldioni		\$	\$	
Corrected profit for th	e year	·	24 160 (1) O/F	
Interest on drawings	Tom Kayumba	1 040 }		
	Gill Kayumba	<u>1 300</u> }(1)	2 340	
Interest on capital	Tom Kayumba		26 500	
interest on capital	•			
•	$5\% \times 60.000 \times 6$ mths	1 500 (1)		
	$5\% \times 60\ 000 \times 6\ mths$ $5\% \times 80\ 000 \times 6\ mths$	1 500 (1) 2 000 (1)		
	$5\% \times 60\ 000 \times 6\ mths$ $5\% \times 80\ 000 \times 6\ mths$	<u>2 000</u> (1)		
	$5\% \times 80~000 \times 6$ mths	• •		
		<u>2 000</u> (1) 3 500		
	5% × 80 000 × 6 mths Gill Kayumba	<u>2 000</u> (1)		
Partnership salary	5% × 80 000 × 6 mths Gill Kayumba 5% × 40 000 Gill Kayumba	2 000 (1) 3 500 (1) <u>2 000</u> (1)		
Partnership salary	5% × 80 000 × 6 mths Gill Kayumba 5% × 40 000	2 000 (1) 3 500 (1) <u>2 000</u> (1)	<u>17 500</u>	
Partnership salary Residual profit	5% × 80 000 × 6 mths Gill Kayumba 5% × 40 000 Gill Kayumba (5000 (1) + 7000 (1))	<u>2 000</u> (1) 3 500 <u>2 000</u> (1) 5 500	<u>17 500</u> 9 000	
Partnership salary	5% × 80 000 × 6 mths Gill Kayumba 5% × 40 000 Gill Kayumba (5000 (1) + 7000 (1)) Tom Kayumba	<u>2 000</u> (1) 3 500 <u>2 000</u> (1) 5 500		
Partnership salary Residual profit	5% × 80 000 × 6 mths Gill Kayumba 5% × 40 000 Gill Kayumba (5000 (1) + 7000 (1)) Tom Kayumba 2000 (1) +	2 000 (1) 3 500 (1) <u>2 000</u> (1) 5 500 (1) <u>12 000</u>		
Partnership salary Residual profit	5% × 80 000 × 6 mths Gill Kayumba 5% × 40 000 Gill Kayumba (5000 (1) + 7000 (1)) Tom Kayumba 2000 (1) + (½ x 7000) (1) OF	<u>2 000</u> (1) 3 500 <u>2 000</u> (1) 5 500		
Partnership salary Residual profit	5% × 80 000 × 6 mths Gill Kayumba 5% × 40 000 Gill Kayumba (5000 (1) + 7000 (1)) Tom Kayumba 2000 (1) +	2 000 (1) 3 500 (1) <u>2 000</u> (1) 5 500 (1) <u>12 000</u>		
Partnership salary Residual profit	5% × 80 000 × 6 mths Gill Kayumba 5% × 40 000 Gill Kayumba (5000 (1) + 7000 (1)) Tom Kayumba 2000 (1) + ($\frac{1}{2}$ x 7000) (1) OF Gill Kayumba $\frac{1}{2}$ x 7000 (1) OF	2 000 (1) 3 500 (1) <u>2 000 (1)</u> 5 500 <u>12 000</u> 5 500	9 000	[1

Page 11		Mark Scheme	Syllabus	Paper
		IGCSE – May/June 2013	0452	23
(c) (i)		eward the partner investing more capital ncourage partners to invest in the business		
	Any	1 point (1)		[
(ii)	To d	iscourage the partners from making drawings iscourage drawings early in the financial year elp the cash flow of the business		
	Any	1 point (1)		[
Pu	urchasi	oods at higher prices ng goods at lower prices n proportions of different goods		
An	ny 2 po	bints (1) each		[
(e) Ye	ear end	led 31 March 2012 (1)		
Alt	though	enses/revenue were 11.90% in 2012 and 14.30% in the profit for the year/revenue was higher in 201 profit/revenue (1)		by an increas

[Total: 26]