

**CAMBRIDGE INTERNATIONAL EXAMINATIONS**

Cambridge International General Certificate of Secondary Education

**MARK SCHEME for the March 2015 series**

<b>0452 ACCOUNTING</b>	
<b>0452/12</b>	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.

Page 2	Mark Scheme	System 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

Page 3	Mark Scheme	Syllabus
	Cambridge IGCSE – March 2015	045

- 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

Page 5	Mark Scheme	Syllabus
	Cambridge IGCSE – March 2015	045

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	paper
	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 \$	Decrease \$	\$
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
	32 900 (1)
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)
	25 550
Total assets	58 450
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	44 450
Current liabilities	
Trade payables	14 000 (1)
Total liabilities	58 450

[10]



Page 9	Mark Scheme	Syllabus
	Cambridge IGCSE – March 2015	0452

- (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	✓ <b>(1)</b>	
Rate of inventory turnover (in days)	✓ <b>(1)</b>	
Net profit margin	✓ <b>(1)</b>	
Return on capital employed	✓ <b>(1)</b>	

[4]

[Total: 25]