



**Cambridge International Examinations**  
Cambridge International General Certificate of Secondary Education

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**ACCOUNTING**

**0452/11**

Paper 1

**May/June 2016**

MARK SCHEME

Maximum Mark: 120

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**Published**

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1 (a) A

(b) A

(c) D

(d) C

(e) B

(f) A

(g) C

(h) B

(i) C

(j) B

2 (a) capital at start of year **plus** profit for the year **plus** capital introduced **minus** drawings [1]  
= capital at end of year (1)

(b)

|   | Account(s) debited\$ |            | Account(s) credited\$ |                         |
|---|----------------------|------------|-----------------------|-------------------------|
| 1 | <i>Purchases</i>     | 1 000      | <i>Pamela</i>         | 1 000                   |
| 2 | Delivery van         | 17 000 (1) | Bank<br>AM Motors     | 12 000 (1)<br>5 000 (1) |
| 3 | Wages                | 250 (1)    | Bank                  | 250 (1)                 |
| 4 | Ali                  | 960 (1)    | Sales                 | 960 (1)                 |
| 5 | Cash                 | 110 (1)    | Bank                  | 110 (1)                 |

[9]

(c) Transaction 3 (1)

[1]

|               |  |                 |              |
|---------------|--|-----------------|--------------|
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(d) Transaction 4 (1) [2]

\$360 (1)

(e) Transaction 5 (1) [1]

(f) capital employed = owner's capital + non-current liabilities (1) [1]

**OR**

capital employed = total assets – current liabilities (1)

(g) cash book (1) [1]

(h) general journal (1) [1]

(i)

|  | asset | liability | expense | income |
|--|-------|-----------|---------|--------|
| premises                                 | ✓     |           |         |        |
| accrued wages                            |       | ✓         |         |        |
| decrease in provision for doubtful debts |       |           |         | ✓      |
| bank loan                                |       | ✓         |         |        |
| depreciation charge                      |       |           | ✓       |        |
| carriage outwards                        |       |           | ✓       |        |

Any two items correct for (1) mark

[3]

[Total: 20]

3 (a)

|  |           |
|--|-----------|
| It contains details of the quantity and price of goods supplied. | False (1) |
| It shows the value of trade discount given.                      | False (1) |
| It shows the balance owing at the start of the period.           | True (1)  |
| It is sent to remind the customer of the amount owed.            | True (1)  |

[4]

|               |  |                 |              |
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(b)

|             | Dilip | James |
|-------------|-------|-------|
| invoice     | ✓ (1) |       |
| credit note | ✓ (1) |       |
| debit note  |       | ✓ (1) |

[3]

(c) Dilip – sales returns journal (1)

James – purchases returns journal (1)

[2]

(d) Invoice – when goods are sold (1)

Credit note – when goods are returned (1)

Statement of account – at end of the period, usually a month (1)

[3]

(e)

|       |                 | Dilip      |       | James account |                  |            |     |
|-------|-----------------|------------|-------|---------------|------------------|------------|-----|
| 2016  |                 | \$         |       | 2016          |                  | \$         |     |
| Mar 1 | Balance b/d     | 300        | (1)   | Mar 3         | Bank             | 291        | (1) |
| 6     | Sales           | 496        | (1)   |               | Discount allowed | 9          | (1) |
|       |                 |            |       | 13            | Sales returns    | 144        | (1) |
|       |                 |            |       | 31            | Balance c/d      | 352        |     |
|       |                 | <u>796</u> |       |               |                  | <u>796</u> |     |
| Apr 1 | Balance b/d     | 352        | (1of) |               |                  |            |     |
|       | + (1) for dates |            |       |               |                  |            |     |

[7]

(f) Item – trade receivables (1)

Section – current assets (1)

[2]

(g) For early payment (1)

[1]

[Total: 22]

|        |                                 |          |       |
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4 (a)

| Name of accounting principle or policy | Explanation  |
|--|--|
| <i>Duality</i>                         | <i>Every transaction has a two-fold aspect</i>   |
| Prudence (1)                           | Profits should not be overstated   |
| Money measurement (1)                  | Financial statements only include items which can be expressed in monetary terms                     |
| Going concern                          | Accounting assumes that a business will continue to operate indefinitely (1)                         |
| Business entity                        | A distinction is made between the financial transactions of a business and those of its owner(s) (1) |
| Reliability (1)                        | Accounting information should be free from error and bias  |
| Consistency                            | The same accounting treatment should be applied to similar items at all times (1)                    |

[6]

- (b) different accounting policies  
different locations  
different capital structures  
different type of business  
different type of goods sold  
different year end  
non-monetary items  
different size of business

Accept other reasonable answer

Any two for (1) mark each

[2]

(c)

| User            | Reason   |
|-----------------|--|
| Bank manager    | To make decision regarding loan or overdraft (1)                             |
| Credit supplier | To ensure credit worthiness of customer (1)<br>To establish credit limit (1) |
| Investor        | To see the return on his investment (1)                                      |

Other reasonable answers accepted.

[3]

|        |                                 |          |       |
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(d) Prime cost = direct materials **plus** direct labour **(1)** **plus** direct expenses **(1)** [2]

(e)

|                                       | manufacturing account | income statement |
|---------------------------------------|-----------------------|------------------|
| depreciation of factory machinery     | ✓                     |                  |
| depreciation of delivery van          |                       | ✓                |
| royalties                             | ✓                     |                  |
| factory rent                          | ✓                     |                  |
| salesman's commission                 |                       | ✓                |
| factory supervisor's salary           | ✓                     |                  |
| sales returns                         |                       | ✓                |
| closing inventory of work in progress | ✓                     |                  |

(1) mark for any **two** items correct [4]

(f) Items of production which are partial completed **(1)** [1]

(g) Because a boat takes longer to make than a bread roll **(1)** [1]

[Total: 19]

5 (a)

Rohinton  
Cash book (bank columns only)

|       |             |              |              |       |             |              |            |
|-------|-------------|--------------|--------------|-------|-------------|--------------|------------|
| 2016  |             | \$           |              | 2016  |             | \$           |            |
| Feb 1 | Balance b/d | 3 188        | <b>(1)</b>   | Feb 1 | Insurance   | 720          | <b>(1)</b> |
|       |             |              |              |       | Balance c/d | 2 468        |            |
|       |             | <u>3 188</u> |              |       |             | <u>3 188</u> |            |
| Feb 1 | Balance b/d | 2 468        | <b>(1of)</b> |       |             |              |            |

[3]

|        |                                 |          |       |
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(b)

| Rohinton   |            |            |                  |
|--|------------|------------|------------------|
| Bank reconciliation statement at 31 January 2016 |            |            |                  |
|  | \$         |            | \$               |
| Balance per updated cash book (1)                |            |            | 2 468 (1of)      |
| Add: unpresented cheques – Arun                  | 402        | (1)        |                  |
| – Charles  | <u>780</u> | <u>(1)</u> | <u>1 182</u>     |
|  |            |            | 3 650            |
| Less: uncredited deposit – Ling                  |            |            | <u>(195) (1)</u> |
| Balance per bank statement (1)                   |            |            | <u>3 455 (1)</u> |

OR

| Rohinton   |            |            |                    |
|--|------------|------------|--------------------|
| Bank reconciliation statement at 31 January 2016 |            |            |                    |
|  | \$         |            | \$                 |
| Balance per bank statement (1)                   |            |            | 3 455 (1)          |
| Less: unpresented cheques – Arun                 | 402        | (1)        |                    |
| – Charles  | <u>780</u> | <u>(1)</u> | <u>(1 182)</u>     |
|  |            |            | 2 273              |
| Add: uncredited deposit – Ling                   |            |            | <u>195 (1)</u>     |
| Balance per updated cash book (1)                |            |            | <u>2 468 (1of)</u> |

[7]

(c)

| Rohinton                                  |             |            |                     |
|---|-------------|------------|---------------------|
| Statement of affairs at 31 January 2016   |             |            |                     |
|   | \$          |            | \$                  |
| Non-current assets                        |             |            |                     |
| Fixtures and fittings – cost              | 4 000       | (1)        |                     |
| – depreciation $4000 \times 0.15 \div 12$ | <u>(50)</u> | <u>(1)</u> | 3 950               |
| Current assets                            |             |            |                     |
| Inventory                                 | 1 211       | (1)        |                     |
| Trade receivable                          | 70          | (1)        |                     |
| Other receivables – rent                  | 2 000       | (1)        |                     |
| – insurance                               | <u>660</u>  | <u>(1)</u> | 2 660               |
| Bank                                      | 2 468       | (1of)      |                     |
| Cash                                      | <u>710</u>  | <u>(1)</u> | 7 119               |
| Current liabilities                       |             |            |                     |
| Trade payable                             |             |            | <u>(550) (1)</u>    |
| Net assets                                |             |            | <u>10 519</u>       |
| Capital                                   |             |            | <u>10 519 (1of)</u> |

[10]

|               |  |                 |              |
|---------------|--|-----------------|--------------|
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(d)

|                              |               |              |
|------------------------------|---------------|--------------|
|                              | \$            |              |
| Capital – at 31 January 2016 | 10 519        | <b>(1of)</b> |
| – at 1 January 2016          | <u>10 000</u> | <b>(1)</b>   |
| Profit for the month         | <u>519</u>    | <b>(1of)</b> |

[3]

[Total: 23]

6 (a) Annual depreciation \$3720 (1)

$$11\,160(1) / 3720 = 3 \text{ years } (1)$$

[3]

(b)

David and Harold  
Income Statement for the year ended 31 March 2016

|                            |               |              |               |              |
|----------------------------|---------------|--------------|---------------|--------------|
|                            | \$            |              | \$            |              |
| Revenue (sales)            |               |              | 142 000       | <b>(1)</b>   |
| Inventory at 1 April 2015  | 36 000        |              |               |              |
| Purchases                  | <u>83 100</u> | <b>(1)</b>   |               |              |
|                            | 119 100       |              |               |              |
| Inventory at 31 March 2016 | <u>26 800</u> |              |               |              |
| Cost of sales              |               |              | <u>92 300</u> | <b>(1)</b>   |
| Gross profit               |               |              | 49 700        | <b>(1of)</b> |
| Depreciation               | 3 720         | <b>(1of)</b> |               |              |
| Rent                       | 12 000        | }            |               |              |
| Wages                      | 16 500        | }(1)         |               |              |
| Other operating expenses   | <u>11 300</u> | <b>(1)</b>   |               |              |
|                            |               |              | <u>43 520</u> |              |
| Profit for the year        |               |              | <u>6 180</u>  | <b>(1of)</b> |

[8]

(c)

David and Harold  
Appropriation Account for the year ended 31 March 2016

|                                |         |                 |              |
|--------------------------------|---------|-----------------|--------------|
|                                |         | \$              |              |
| Profit for the year            |         | 6 180           | <b>(1of)</b> |
| Salary – David                 |         | <u>(12 000)</u> | <b>(1)</b>   |
|                                |         | (5 820)         |              |
| Share of residual loss – David | (3 880) |                 |              |
| – Harold                       | (1 940) | (5 820)         | <b>(1of)</b> |

[3]



|               |  |                 |              |
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(d)

|               |                |       |
|---------------|----------------|-------|
|               | \$             |       |
| Salary        | 12 000         | (1of) |
| Share of loss | <u>(3 880)</u> | (1of) |
| Total         | <u>8 120</u>   | (1of) |

[3]

(e) Interest on drawings might encourage partners to reduce drawings. (1)

[1]

(f)  $\frac{49700}{142000} \text{ (1of)} \times \frac{100}{1} = 35\% \text{ (1of)}$

[2]

(g) Cost of sales =  $[142\,000 \text{ (1)} \times (1 - 0.45)\text{(1)}] = \$78\,100 \text{ (1)}$

$(36\,000 + 83\,100) \text{ (1)} - 78\,100 = 41\,000 \text{ (1)}$

OR

|                            |                  |        |
|----------------------------|------------------|--------|
|                            | \$               |        |
| Opening inventory          | 36 000           | }      |
| Purchases                  | 83 100           | }{(1)} |
| Cost of sales              | <u>(78 100)*</u> | (3)    |
| Expected closing inventory | <u>41 000</u>    | (1of)  |

$*142\,000 \text{ (1)} - 63\,900 \text{ (1)} = \$78\,100 \text{ (1)}$

[5]

(h) Any reasonable answer for (1) mark

[1]

E.g. Theft, pilferage, damage, obsolescence, more/higher sales activity

[Total: 26]