



Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

ACCOUNTING

0452/21

Paper 2

May/June 2019

MARK SCHEME

Maximum Mark: 120

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 International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2019 series for most Cambridge IGCSE™, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

This document consists of **16** printed pages.

PUBLISHED**Generic Marking Principles**

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Question	Answer						Marks																																																																						
1(a)(i)	Sabelo Petty Cash Book						9																																																																						
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Total received</th> <th style="width: 10%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">Total paid</th> <th style="width: 10%;">Travel</th> <th style="width: 10%;">Postage and stationery</th> <th style="width: 10%;">Ledger accounts</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$ 18 102</td> <td style="text-align: center;">2019 April 1</td> <td>Balance b/d</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> <tr> <td></td> <td style="text-align: center;">3</td> <td>Bank Kenneth (1)</td> <td style="text-align: center;">58</td> <td></td> <td></td> <td style="text-align: center;">58</td> </tr> <tr> <td></td> <td style="text-align: center;">11</td> <td>Taxi fare (1)</td> <td style="text-align: center;">14</td> <td style="text-align: center;">14</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">15</td> <td>Stationery (1)</td> <td style="text-align: center;">24</td> <td></td> <td style="text-align: center;">24</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">24</td> <td>Bus fare (1)</td> <td style="text-align: center;">9</td> <td style="text-align: center;">9</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">30</td> <td>Balance c/d</td> <td style="text-align: center;">105</td> <td style="text-align: center;">23</td> <td style="text-align: center;">24</td> <td style="text-align: center;">58</td> </tr> <tr> <td style="text-align: center;">120</td> <td></td> <td></td> <td style="text-align: center;">15</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">120</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">15</td> <td style="text-align: center;">2019 May 1</td> <td>Balance b/d (1) OF</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>								Total received	Date	Details	Total paid	Travel	Postage and stationery	Ledger accounts	\$ 18 102	2019 April 1	Balance b/d	\$	\$	\$	\$		3	Bank Kenneth (1)	58			58		11	Taxi fare (1)	14	14				15	Stationery (1)	24		24			24	Bus fare (1)	9	9				30	Balance c/d	105	23	24	58	120			15							120				15	2019 May 1	Balance b/d (1) OF				
Total received	Date	Details	Total paid	Travel	Postage and stationery	Ledger accounts																																																																							
\$ 18 102	2019 April 1	Balance b/d	\$	\$	\$	\$																																																																							
	3	Bank Kenneth (1)	58			58																																																																							
	11	Taxi fare (1)	14	14																																																																									
	15	Stationery (1)	24		24																																																																								
	24	Bus fare (1)	9	9																																																																									
	30	Balance c/d	105	23	24	58																																																																							
120			15																																																																										
			120																																																																										
15	2019 May 1	Balance b/d (1) OF																																																																											
<p> + (1) dates + (1) OF totalling analysis columns + (1) OF totalling total columns </p>																																																																													

Question	Answer										Marks																																																																																									
1(a)(ii)	Sabelo Cash Book										10																																																																																									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 5%;">Disc.</th> <th style="width: 10%;">Cash</th> <th style="width: 10%;">Bank</th> <th style="width: 10%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 5%;">Disc.</th> <th style="width: 10%;">Cash</th> <th style="width: 10%;">Bank</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td>2019</td> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> <tr> <td><i>April 1</i></td> <td><i>Balance b/d</i></td> <td></td> <td style="text-align: right;">250</td> <td></td> <td><i>April 1</i></td> <td><i>Balance b/d</i></td> <td></td> <td></td> <td style="text-align: right;">1119</td> </tr> <tr> <td>8</td> <td>Elijah (1)</td> <td style="text-align: right;">7</td> <td></td> <td style="text-align: right;">343</td> <td></td> <td>Petty cash (1)</td> <td></td> <td></td> <td style="text-align: right;">102</td> </tr> <tr> <td>28</td> <td>Rent receivable (1)</td> <td></td> <td></td> <td style="text-align: right;">100</td> <td>19</td> <td>Office expenses (1)</td> <td></td> <td></td> <td style="text-align: right;">115</td> </tr> <tr> <td>29</td> <td>Sales (1)</td> <td></td> <td style="text-align: right;">20</td> <td style="text-align: right;">800</td> <td>27</td> <td>Ziningi (1)</td> <td style="text-align: right;">15</td> <td></td> <td style="text-align: right;">585</td> </tr> <tr> <td>30</td> <td>Balance c/d</td> <td></td> <td></td> <td style="text-align: right;">678</td> <td>30</td> <td>Balance c/d</td> <td></td> <td style="text-align: right;">270</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">7</td> <td style="text-align: right;">270</td> <td style="text-align: right;">1921</td> <td></td> <td></td> <td style="text-align: right;">15</td> <td style="text-align: right;">270</td> <td style="text-align: right;">1921</td> </tr> <tr> <td>2019</td> <td></td> <td></td> <td></td> <td></td> <td>2019</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>May 1</td> <td>Balance b/d</td> <td></td> <td style="text-align: right;">270 (1) OF</td> <td></td> <td>May 1</td> <td>Balance b/d</td> <td></td> <td></td> <td style="text-align: right;">678 (1) OF</td> </tr> </tbody> </table>	Date	Details	Disc.	Cash	Bank	Date	Details	Disc.	Cash		Bank	2019		\$	\$	\$	2019		\$	\$	\$	<i>April 1</i>	<i>Balance b/d</i>		250		<i>April 1</i>	<i>Balance b/d</i>			1119	8	Elijah (1)	7		343		Petty cash (1)			102	28	Rent receivable (1)			100	19	Office expenses (1)			115	29	Sales (1)		20	800	27	Ziningi (1)	15		585	30	Balance c/d			678	30	Balance c/d		270				7	270	1921			15	270	1921	2019					2019					May 1	Balance b/d		270 (1) OF		May 1	Balance b/d	
Date	Details	Disc.	Cash	Bank	Date	Details	Disc.	Cash	Bank																																																																																											
2019		\$	\$	\$	2019		\$	\$	\$																																																																																											
<i>April 1</i>	<i>Balance b/d</i>		250		<i>April 1</i>	<i>Balance b/d</i>			1119																																																																																											
8	Elijah (1)	7		343		Petty cash (1)			102																																																																																											
28	Rent receivable (1)			100	19	Office expenses (1)			115																																																																																											
29	Sales (1)		20	800	27	Ziningi (1)	15		585																																																																																											
30	Balance c/d			678	30	Balance c/d		270																																																																																												
		7	270	1921			15	270	1921																																																																																											
2019					2019																																																																																															
May 1	Balance b/d		270 (1) OF		May 1	Balance b/d			678 (1) OF																																																																																											
+ (1) OF totalling discount columns + (1) dates																																																																																																				

Question	Answer	Marks																																																																																																																								
1(b)	<p style="text-align: center;">Sabelo Bank Reconciliation Statement at 30 April 2019</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 10%; text-align: center;">\$</th> <th style="width: 10%;"></th> <th style="width: 10%; text-align: center;">\$</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>Balance in cash book</td> <td></td> <td></td> <td style="text-align: right;">(678)</td> <td style="text-align: right;">(1) OF</td> </tr> <tr> <td>Cheques not yet presented</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> Office expenses</td> <td style="text-align: right;">115</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td> Ziningi</td> <td style="text-align: right;">585</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">700</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">OF</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>22</u></td> <td></td> </tr> <tr> <td>Amounts not yet credited</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> Rent receivable</td> <td style="text-align: right;">100</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td> Sales</td> <td style="text-align: right;">800</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td> Bank error</td> <td style="text-align: right;">240</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">(1140)</td> <td></td> </tr> <tr> <td>Balance on bank statement</td> <td></td> <td></td> <td style="text-align: right;"><u>(1118)</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Alternative presentation</td> <td style="text-align: center;">\$</td> <td></td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td>Balance on bank statement</td> <td></td> <td></td> <td style="text-align: right;">(1118)</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Amounts not yet credited</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> Rent receivable</td> <td style="text-align: right;">100</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td> Sales</td> <td style="text-align: right;">800</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td> Bank error</td> <td style="text-align: right;">240</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">1140</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>22</u></td> <td></td> </tr> <tr> <td>Cheques not yet presented</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> Offices expenses</td> <td style="text-align: right;">115</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td> Ziningi</td> <td style="text-align: right;">585</td> <td style="text-align: right;">(1)</td> <td style="text-align: right;">(700)</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">OF</td> <td></td> <td></td> </tr> <tr> <td>Balance in cash book</td> <td></td> <td></td> <td style="text-align: right;"><u>(678)</u></td> <td style="text-align: right;">(1) OF</td> </tr> </tbody> </table>		\$		\$		Balance in cash book			(678)	(1) OF	Cheques not yet presented					Office expenses	115	(1)			Ziningi	585	(1)	700				OF						<u>22</u>		Amounts not yet credited					Rent receivable	100	(1)			Sales	800	(1)			Bank error	240	(1)	(1140)		Balance on bank statement			<u>(1118)</u>	(1)	Alternative presentation	\$		\$		Balance on bank statement			(1118)	(1)	Amounts not yet credited					Rent receivable	100	(1)			Sales	800	(1)			Bank error	240	(1)	1140					<u>22</u>		Cheques not yet presented					Offices expenses	115	(1)			Ziningi	585	(1)	(700)				OF			Balance in cash book			<u>(678)</u>	(1) OF	7
	\$		\$																																																																																																																							
Balance in cash book			(678)	(1) OF																																																																																																																						
Cheques not yet presented																																																																																																																										
Office expenses	115	(1)																																																																																																																								
Ziningi	585	(1)	700																																																																																																																							
		OF																																																																																																																								
			<u>22</u>																																																																																																																							
Amounts not yet credited																																																																																																																										
Rent receivable	100	(1)																																																																																																																								
Sales	800	(1)																																																																																																																								
Bank error	240	(1)	(1140)																																																																																																																							
Balance on bank statement			<u>(1118)</u>	(1)																																																																																																																						
Alternative presentation	\$		\$																																																																																																																							
Balance on bank statement			(1118)	(1)																																																																																																																						
Amounts not yet credited																																																																																																																										
Rent receivable	100	(1)																																																																																																																								
Sales	800	(1)																																																																																																																								
Bank error	240	(1)	1140																																																																																																																							
			<u>22</u>																																																																																																																							
Cheques not yet presented																																																																																																																										
Offices expenses	115	(1)																																																																																																																								
Ziningi	585	(1)	(700)																																																																																																																							
		OF																																																																																																																								
Balance in cash book			<u>(678)</u>	(1) OF																																																																																																																						

Question	Answer	Marks
1(c)	<p>1 No (1) Either Application of the realisation principle (1) OR Revenue is recognised when the legal liability to pay passes to the customer (not when goods are ordered) so no entry will be made when an order is received (1)</p> <p>2 Yes (1) Either Application of the going concern principle (1) Or When it is known that the business is going to be discontinued it may be necessary to adjust the value of some assets to their expected sale values (1)</p>	4

Question	Answer	Marks																																																
2(a)(i)	Jade (1) To request a reduction in the invoice/to notify Adil of goods returned (1)	2																																																
2(a)(ii)	Adil (1) To notify of a reduction in the invoice (1)	2																																																
2(a)(iii)	Adil (1) To notify Jade of the amount owing at the end of the month (1)	2																																																
2(b)	<p style="text-align: center;">Jade Adil account</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>Bank (1)</td> <td></td> <td>2019</td> <td></td> <td></td> </tr> <tr> <td>April 4</td> <td>Discount (1)</td> <td>429</td> <td>April 1</td> <td>Balance b/d (1)</td> <td>440</td> </tr> <tr> <td></td> <td>Returns (1)</td> <td>11</td> <td>12</td> <td>Purchases (1)</td> <td>420</td> </tr> <tr> <td>20</td> <td>Balance c/d</td> <td>75</td> <td></td> <td></td> <td></td> </tr> <tr> <td>30</td> <td></td> <td>345</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>860</td> <td>May 1</td> <td>Balance b/d</td> <td>860</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>(1) OF</td> <td>345</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	2019	Bank (1)		2019			April 4	Discount (1)	429	April 1	Balance b/d (1)	440		Returns (1)	11	12	Purchases (1)	420	20	Balance c/d	75				30		345						860	May 1	Balance b/d	860					(1) OF	345	6
Date	Details	\$	Date	Details	\$																																													
2019	Bank (1)		2019																																															
April 4	Discount (1)	429	April 1	Balance b/d (1)	440																																													
	Returns (1)	11	12	Purchases (1)	420																																													
20	Balance c/d	75																																																
30		345																																																
		860	May 1	Balance b/d	860																																													
				(1) OF	345																																													

Question	Answer	Marks
2(c)	$\frac{2800}{29600} \times \frac{365}{1} \} (1) = 35 \text{ days } (1)$	2
2(d)	<p>Will not have to allow cash discount May be able to charge interest on overdue amount Or other suitable advantage Any advantage (1)</p> <p>OR – if answer to (c) is less than 29 days Receive money quicker than previously May favourably affect cash flow Reduced risk of bad debts Or other suitable advantage Any advantage (1)</p>	1
2(e)	<p>Has to wait longer to receive the money May adversely affect cash flow position Increased risk of bad debts Or other suitable disadvantage Any disadvantage (1)</p> <p>OR – if answer to (c) is less than 29 days May have to allow cash discount Will not be able to charge interest in overdue amount Or other suitable disadvantage Any disadvantage (1)</p>	1
2(f)	$\frac{2800}{29600} \times \frac{365}{1} \} (1) = 29 \text{ days } (1)$	2

Question	Answer	Marks
2(g)	<p>Satisfied (1) Jade paid more quickly than in the previous year/Jade paid within the credit period allowed (1) Or other suitable comment</p> <p>OR – if answer to 2(f) is more than 35 days Unsatisfied (1) Jade is taking longer to pay her accounts than in the previous year (1) Or other suitable comment</p> <p>OR – if answer to 2(f) is between 31 days and 35 days Satisfied (1) Jade is paying quicker than previously (1) OR Unsatisfied (1) Is still outside the credit period allowed (1) Or other suitable comment</p>	2

Question	Answer	Marks																																																																																	
3(a)	<p style="text-align: center;">Calculation of credit purchases</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Payments to credit suppliers</td> <td style="text-align: right;">14</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right;">62</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">5</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Cash discount received</td> <td style="text-align: right;">37</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right;">5</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Returns to credit suppliers</td> <td style="text-align: right;">21</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right;">40</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Amount owing to credit suppliers 31 December 2018</td> <td style="text-align: right;">14</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right;">34</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Credit purchases</td> <td style="text-align: right; border-top: 1px solid black;">18</td> <td style="text-align: right; border-top: 1px solid black;">(1) OF</td> </tr> <tr> <td></td> <td style="text-align: right;">57</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">4</td> <td></td> </tr> </table> <p style="margin-top: 20px;">Alternative presentation</p> <p style="text-align: center;">Total trade payables account</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; width: 80%;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>2018 Dec 31</td> <td>Bank (1)</td> <td style="text-align: right;">14 625</td> <td>2018 Dec 31</td> <td>*Purchases</td> <td style="text-align: right;">18 574</td> </tr> <tr> <td></td> <td>Discount recd (1)</td> <td style="text-align: right;">375</td> <td></td> <td style="text-align: right;">(1) OF</td> <td></td> </tr> <tr> <td></td> <td>Returns (1)</td> <td style="text-align: right;">2 140</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Balance c/d (1)</td> <td style="text-align: right;">1 434</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">18 574</td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">18 574</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2019 Jan 1</td> <td>Balance b/d</td> <td style="text-align: right;">1 434</td> </tr> </tbody> </table>		\$		Payments to credit suppliers	14	(1)		62			5		Cash discount received	37	(1)		5		Returns to credit suppliers	21	(1)		40		Amount owing to credit suppliers 31 December 2018	14	(1)		34		Credit purchases	18	(1) OF		57			4		Date	Details	\$	Date	Details	\$	2018 Dec 31	Bank (1)	14 625	2018 Dec 31	*Purchases	18 574		Discount recd (1)	375		(1) OF			Returns (1)	2 140					Balance c/d (1)	1 434						18 574			18 574				2019 Jan 1	Balance b/d	1 434	5
	\$																																																																																		
Payments to credit suppliers	14	(1)																																																																																	
	62																																																																																		
	5																																																																																		
Cash discount received	37	(1)																																																																																	
	5																																																																																		
Returns to credit suppliers	21	(1)																																																																																	
	40																																																																																		
Amount owing to credit suppliers 31 December 2018	14	(1)																																																																																	
	34																																																																																		
Credit purchases	18	(1) OF																																																																																	
	57																																																																																		
	4																																																																																		
Date	Details	\$	Date	Details	\$																																																																														
2018 Dec 31	Bank (1)	14 625	2018 Dec 31	*Purchases	18 574																																																																														
	Discount recd (1)	375		(1) OF																																																																															
	Returns (1)	2 140																																																																																	
	Balance c/d (1)	1 434																																																																																	
		18 574			18 574																																																																														
			2019 Jan 1	Balance b/d	1 434																																																																														

Question	Answer						Marks																																															
3(b)	Calculation of amount received from credit customers						6																																															
			\$			\$																																																
	Credit sales				21 640 (1)																																																	
	Less Returns from credit customers		2 042 (1)																																																			
	Bad debts		380 (1)																																																			
	Cash Discount allowed		338 (1)																																																			
	Amount owed by credit customers		<u>1 980 (1)</u>		<u>4 740</u>																																																	
	Amount received from credit customers				<u>16 900 (1) OF</u>																																																	
	Alternative presentation																																																					
	Total trade receivables account																																																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>2018 Dec 31</td> <td>Sales (1)</td> <td style="text-align: right;">21 640</td> <td>2018 Dec 31</td> <td>*Bank (1) OF</td> <td style="text-align: right;">16 900</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Discount alld (1)</td> <td style="text-align: right;">338</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Returns (1)</td> <td style="text-align: right;">2 042</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Bad debts (1)</td> <td style="text-align: right;">380</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Balance c/d (1)</td> <td style="text-align: right;">1 980</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>21 640</u></td> <td></td> <td></td> <td style="text-align: right;"><u>21 640</u></td> </tr> <tr> <td>2019 Jan 1</td> <td>Balance b/d</td> <td style="text-align: right;">1 980</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>							Date	Details	\$	Date	Details	\$	2018 Dec 31	Sales (1)	21 640	2018 Dec 31	*Bank (1) OF	16 900					Discount alld (1)	338					Returns (1)	2 042					Bad debts (1)	380					Balance c/d (1)	1 980			<u>21 640</u>			<u>21 640</u>	2019 Jan 1	Balance b/d	1 980			
Date	Details	\$	Date	Details	\$																																																	
2018 Dec 31	Sales (1)	21 640	2018 Dec 31	*Bank (1) OF	16 900																																																	
				Discount alld (1)	338																																																	
				Returns (1)	2 042																																																	
				Bad debts (1)	380																																																	
				Balance c/d (1)	1 980																																																	
		<u>21 640</u>			<u>21 640</u>																																																	
2019 Jan 1	Balance b/d	1 980																																																				

Question	Answer						Marks																																																
3(c)	Min Bank account <table border="1" data-bbox="488 316 1771 691" style="margin: 10px auto; width: 80%;"> <thead> <tr> <th data-bbox="488 320 658 400">Date 2018</th> <th data-bbox="658 320 960 400">Details</th> <th data-bbox="960 320 1131 400">\$</th> <th data-bbox="1131 320 1301 400">Date 2018</th> <th data-bbox="1301 320 1603 400">Details</th> <th data-bbox="1603 320 1771 400">\$</th> </tr> </thead> <tbody> <tr> <td data-bbox="488 400 658 432">Jan 1</td> <td data-bbox="658 400 960 432">Capital (1)</td> <td data-bbox="960 400 1131 432">65 000</td> <td data-bbox="1131 400 1301 432">Dec 31</td> <td data-bbox="1301 400 1603 432">Non-current assets (1)</td> <td data-bbox="1603 400 1771 432">64 000</td> </tr> <tr> <td data-bbox="488 432 658 464">Dec 31</td> <td data-bbox="658 432 960 464">Loan (1)</td> <td data-bbox="960 432 1131 464">5 000</td> <td></td> <td data-bbox="1301 432 1603 464">Trade payables (1)</td> <td data-bbox="1603 432 1771 464">14 625</td> </tr> <tr> <td></td> <td data-bbox="658 464 960 496">Trade receivables (1) OF</td> <td data-bbox="960 464 1131 496">16 900</td> <td></td> <td data-bbox="1301 464 1603 496">*Expenses (1) OF</td> <td data-bbox="1603 464 1771 496">2 883</td> </tr> <tr> <td></td> <td></td> <td data-bbox="960 496 1131 528"></td> <td></td> <td data-bbox="1301 496 1603 528">Balance c/d (1)</td> <td data-bbox="1603 496 1771 528">5 392</td> </tr> <tr> <td></td> <td></td> <td data-bbox="960 528 1131 560">86 900</td> <td></td> <td></td> <td data-bbox="1603 528 1771 560">86 900</td> </tr> <tr> <td data-bbox="488 560 658 592">2019</td> <td></td> <td data-bbox="960 560 1131 592"></td> <td></td> <td></td> <td data-bbox="1603 560 1771 592"></td> </tr> <tr> <td data-bbox="488 592 658 624">Jan 1</td> <td data-bbox="658 592 960 624">Balance b/d</td> <td data-bbox="960 592 1131 624">5 392</td> <td></td> <td></td> <td data-bbox="1603 592 1771 624"></td> </tr> </tbody> </table>						Date 2018	Details	\$	Date 2018	Details	\$	Jan 1	Capital (1)	65 000	Dec 31	Non-current assets (1)	64 000	Dec 31	Loan (1)	5 000		Trade payables (1)	14 625		Trade receivables (1) OF	16 900		*Expenses (1) OF	2 883					Balance c/d (1)	5 392			86 900			86 900	2019						Jan 1	Balance b/d	5 392				7
Date 2018	Details	\$	Date 2018	Details	\$																																																		
Jan 1	Capital (1)	65 000	Dec 31	Non-current assets (1)	64 000																																																		
Dec 31	Loan (1)	5 000		Trade payables (1)	14 625																																																		
	Trade receivables (1) OF	16 900		*Expenses (1) OF	2 883																																																		
				Balance c/d (1)	5 392																																																		
		86 900			86 900																																																		
2019																																																							
Jan 1	Balance b/d	5 392																																																					
3(d)	<p>Full details are available about the assets, liabilities, revenues and expenses</p> <p>The preparation of financial statements is easier/more accurate</p> <p>The calculation profit or loss for the year is likely to be more reliable</p> <p>More informed decision-making is possible</p> <p>A greater degree of control can be exercised</p> <p>The possibility of fraud is reduced</p> <p>Detailed records are available for reference purposes</p> <p>Information required by a bank/lender is readily available</p> <p>Or other suitable points</p> <p>Any 3 advantages (1) each</p>						3																																																
3(e)(i)	<p>Check security available for any loan/overdraft</p> <p>Check the ability of the business to repay any overdraft/loan when due</p> <p>Check the ability of the business to pay any interest when due</p> <p>Any 2 reasons (1) each</p>						2																																																
3(e)(ii)	<p>Check the liquidity position</p> <p>Check the likelihood of the account being paid</p> <p>Check the trade payables payment period</p> <p>To help determine the credit limit/the length of credit allowed</p> <p>Any 2 reasons (1) each</p>						2																																																

Question	Answer							Marks																																																																							
4(a)(i)	$\frac{425}{8500} \times \frac{100}{1} = 5\% \text{ (1)}$ <p>Or can be calculated on other partner's drawings to arrive at same percentage</p>							1																																																																							
4(a)(ii)	$\frac{3600}{60000} \times \frac{100}{1} = 6\% \text{ (1)}$ <p>Or can be calculated on other partner's capital to arrive at same percentage</p>							1																																																																							
4(b)	Liam and Mia Current accounts							9																																																																							
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">Liam \$</th> <th style="width: 10%;">Mia \$</th> <th style="width: 10%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">Liam \$</th> <th style="width: 10%;">Mia \$</th> </tr> </thead> <tbody> <tr> <td>2018 Feb 1</td> <td>Balance b/d</td> <td></td> <td>2 140</td> <td>2018 Feb 1</td> <td>Balance b/d</td> <td>44 500</td> <td></td> </tr> <tr> <td>Aug 1 2019</td> <td>Capital (1)</td> <td>14 000</td> <td></td> <td>2019 Jan 31</td> <td>Interest on capital (1)</td> <td>10 200</td> <td>3 600</td> </tr> <tr> <td>Jan 31</td> <td>Drawings (1)</td> <td>19 100</td> <td>8 500</td> <td></td> <td>Salary (1)</td> <td></td> <td>15 000</td> </tr> <tr> <td></td> <td>Interest on drawings (1)</td> <td>955</td> <td>425</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Share of loss (1)</td> <td>2 120</td> <td>1 060</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Balances c/d</td> <td>18 525</td> <td>6 475</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black;">54 700</td> <td style="border-top: 1px solid black;">18 600</td> <td></td> <td></td> <td style="border-top: 1px solid black;">54 700</td> <td style="border-top: 1px solid black;">18 600</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>2019 Feb 1</td> <td>Balances b/d</td> <td>18 525 (1) OF</td> <td>6 475 (1) OF</td> </tr> </tbody> </table>								Date	Details	Liam \$	Mia \$	Date	Details	Liam \$	Mia \$	2018 Feb 1	Balance b/d		2 140	2018 Feb 1	Balance b/d	44 500		Aug 1 2019	Capital (1)	14 000		2019 Jan 31	Interest on capital (1)	10 200	3 600	Jan 31	Drawings (1)	19 100	8 500		Salary (1)		15 000		Interest on drawings (1)	955	425						Share of loss (1)	2 120	1 060						Balances c/d	18 525	6 475							54 700	18 600			54 700	18 600					2019 Feb 1	Balances b/d	18 525 (1) OF	6 475 (1) OF
Date	Details	Liam \$	Mia \$	Date	Details	Liam \$	Mia \$																																																																								
2018 Feb 1	Balance b/d		2 140	2018 Feb 1	Balance b/d	44 500																																																																									
Aug 1 2019	Capital (1)	14 000		2019 Jan 31	Interest on capital (1)	10 200	3 600																																																																								
Jan 31	Drawings (1)	19 100	8 500		Salary (1)		15 000																																																																								
	Interest on drawings (1)	955	425																																																																												
	Share of loss (1)	2 120	1 060																																																																												
	Balances c/d	18 525	6 475																																																																												
		54 700	18 600			54 700	18 600																																																																								
				2019 Feb 1	Balances b/d	18 525 (1) OF	6 475 (1) OF																																																																								
<p>+(1) dates</p>																																																																															

Question	Answer	Marks
4(c)	$(38\,440 + 42\,060) : (36\,250 + 14\,150)$ $= 80\,500 : 50\,400$ (1) whole formula $= 1.60 : 1$ (1)	2
4(d)	$42\,060 : (36\,250 + 14\,150)$ $= 42\,060 : 50\,400$ (1) whole formula $= 0.83 : 1$ (1)	2
4(e)(i)	Method Obtain long-term loan Sell non-current assets Introduce a new partner Or other suitable method – excluding increase capital Any 1 method (1) Reason There would be an decrease in the current liabilities (bank overdraft) so both the current ratio and the quick ratio will increase (1)	2
4(e)(ii)	Current ratio – no change as inventory decreases and trade receivables/bank increase by same amount (1) Quick ratio – increases as the decrease in inventory does not affect liquid assets, but increase in trade receivables/bank does affect the liquid assets (1)	2
4(f)	How much capital will he contribute? Will the annual profit be increased/loss reduced with the injection of more capital? What share of profit/loss will he be offered? Will he be offered a salary? How will the workload/responsibilities be shared? Will three partners be too many for the size of the business? What areas of expertise will he bring to the partnership? Will they be able to work together without disputes arising? Or other relevant factors Any 4 factors (1) each	4

Question	Answer	Marks																																																												
5(a)	<p>Nadia Journal</p> <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Details</th> <th style="width: 15%;">Debit</th> <th style="width: 15%;">Credit</th> <th style="width: 30%;"></th> </tr> </thead> <tbody> <tr> <td>Bank charges</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Bank</td> <td style="text-align: center;">21</td> <td style="text-align: center;">21</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Zahoor Sales</td> <td style="text-align: center;">100</td> <td style="text-align: center;">100</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">(1)</td> </tr> </tbody> </table>	Details	Debit	Credit		Bank charges	\$	\$	(1)	Bank	21	21	(1)	Zahoor Sales	100	100	(1)				(1)	4																																								
Details	Debit	Credit																																																												
Bank charges	\$	\$	(1)																																																											
Bank	21	21	(1)																																																											
Zahoor Sales	100	100	(1)																																																											
			(1)																																																											
5(b)	<p>Nadia Statement of corrected profit for the year ended 31 March 2019</p> <table border="1" style="margin: auto; border-collapse: collapse;"> <tbody> <tr> <td style="width: 60%;">Data profit for the year before corrections</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">3 330</td> </tr> <tr> <td></td> <td style="text-align: center;">Increase in profit \$</td> <td style="text-align: center;">Decrease in profit \$</td> <td></td> <td></td> </tr> <tr> <td>Error 1</td> <td></td> <td style="text-align: center;">21</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td>Error 2</td> <td style="text-align: center;">100</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td>Error 3</td> <td></td> <td style="text-align: center;">10</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td>Error 4</td> <td></td> <td style="text-align: center;">199</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td>Error 5</td> <td></td> <td style="text-align: center;">62</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td>Error 6</td> <td></td> <td style="text-align: center;">90</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td>Error 7</td> <td style="text-align: center;">400</td> <td style="text-align: right;">(1)</td> <td></td> <td></td> </tr> <tr> <td>Error 8</td> <td></td> <td style="text-align: center;">960</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;"><u>500</u></td> <td style="text-align: center;"><u>1 342</u></td> <td></td> <td style="text-align: right;"><u>842</u></td> </tr> <tr> <td>Corrected profit for the year</td> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>2 488</u> (1) OF</td> </tr> </tbody> </table>	Data profit for the year before corrections			\$	3 330		Increase in profit \$	Decrease in profit \$			Error 1		21	(1)		Error 2	100	(1)			Error 3		10	(1)		Error 4		199	(1)		Error 5		62	(1)		Error 6		90	(1)		Error 7	400	(1)			Error 8		960	(1)			<u>500</u>	<u>1 342</u>		<u>842</u>	Corrected profit for the year				<u>2 488</u> (1) OF	9
Data profit for the year before corrections			\$	3 330																																																										
	Increase in profit \$	Decrease in profit \$																																																												
Error 1		21	(1)																																																											
Error 2	100	(1)																																																												
Error 3		10	(1)																																																											
Error 4		199	(1)																																																											
Error 5		62	(1)																																																											
Error 6		90	(1)																																																											
Error 7	400	(1)																																																												
Error 8		960	(1)																																																											
	<u>500</u>	<u>1 342</u>		<u>842</u>																																																										
Corrected profit for the year				<u>2 488</u> (1) OF																																																										

Question	Answer			Marks																																																																																																				
5(c)	<p style="text-align: center;">Nadia Corrected Statement of Financial Position at 31 March 2019</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 15%; text-align: center;">\$</th> <th style="width: 15%; text-align: center;">\$</th> <th style="width: 10%; text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Non-current assets</td> <td style="text-align: center;">Cost</td> <td style="text-align: center;">Accumulated depreciation</td> <td style="text-align: center;">Book value</td> </tr> <tr> <td>Premises</td> <td style="text-align: right;">31 000</td> <td></td> <td style="text-align: right;">31 000</td> </tr> <tr> <td>Other non-current assets</td> <td style="text-align: right;">9 600</td> <td style="text-align: right;">960</td> <td style="text-align: right;">8 640</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">40 600</td> <td style="text-align: right; border-top: 1px solid black;">960</td> <td style="text-align: right;">39 640</td> </tr> <tr> <td>Current assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Inventory (3170–199)</td> <td></td> <td></td> <td style="text-align: right;">2 971</td> </tr> <tr> <td>Trade receivables (3000 + 100)</td> <td></td> <td style="text-align: right;">3 100</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Less Provision for doubtful debts</td> <td></td> <td style="text-align: right;">62</td> <td style="text-align: right;">(1) OF</td> </tr> <tr> <td>Other receivables</td> <td></td> <td style="text-align: right; border-top: 1px solid black;"></td> <td style="text-align: right;">400</td> </tr> <tr> <td>Cash</td> <td></td> <td></td> <td style="text-align: right;">200</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">6 609</td> </tr> <tr> <td>Total assets</td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">46 249</td> </tr> <tr> <td>Capital</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Opening balance</td> <td></td> <td></td> <td style="text-align: right;">50 000</td> </tr> <tr> <td>Plus Profit for the year</td> <td></td> <td></td> <td style="text-align: right;">2 488</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">52 488</td> </tr> <tr> <td>Less Drawings</td> <td></td> <td></td> <td style="text-align: right;">10 350</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">42 138</td> </tr> <tr> <td>Current liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Trade payables</td> <td></td> <td></td> <td style="text-align: right;">2 680</td> </tr> <tr> <td>Bank (1410 + 21)</td> <td></td> <td></td> <td style="text-align: right;">1 431</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">4 111</td> </tr> <tr> <td>Total capital and liabilities</td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">46 249</td> </tr> </tbody> </table>				\$	\$	\$	Assets				Non-current assets	Cost	Accumulated depreciation	Book value	Premises	31 000		31 000	Other non-current assets	9 600	960	8 640		40 600	960	39 640	Current assets				Inventory (3170–199)			2 971	Trade receivables (3000 + 100)		3 100	(1)	Less Provision for doubtful debts		62	(1) OF	Other receivables			400	Cash			200				6 609	Total assets			46 249	Capital				Opening balance			50 000	Plus Profit for the year			2 488				52 488	Less Drawings			10 350				42 138	Current liabilities				Trade payables			2 680	Bank (1410 + 21)			1 431				4 111	Total capital and liabilities			46 249	9
	\$	\$	\$																																																																																																					
Assets																																																																																																								
Non-current assets	Cost	Accumulated depreciation	Book value																																																																																																					
Premises	31 000		31 000																																																																																																					
Other non-current assets	9 600	960	8 640																																																																																																					
	40 600	960	39 640																																																																																																					
Current assets																																																																																																								
Inventory (3170–199)			2 971																																																																																																					
Trade receivables (3000 + 100)		3 100	(1)																																																																																																					
Less Provision for doubtful debts		62	(1) OF																																																																																																					
Other receivables			400																																																																																																					
Cash			200																																																																																																					
			6 609																																																																																																					
Total assets			46 249																																																																																																					
Capital																																																																																																								
Opening balance			50 000																																																																																																					
Plus Profit for the year			2 488																																																																																																					
			52 488																																																																																																					
Less Drawings			10 350																																																																																																					
			42 138																																																																																																					
Current liabilities																																																																																																								
Trade payables			2 680																																																																																																					
Bank (1410 + 21)			1 431																																																																																																					
			4 111																																																																																																					
Total capital and liabilities			46 249																																																																																																					