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UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

MARK SCHEME for the June 2005 question paper

0452 ACCOUNTING

0452/02 Paper 2, maximum raw mark 90

This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which Examiners were initially instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began. Any substantial changes to the mark scheme that arose from these discussions will be recorded in the published *Report on the Examination*.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes must be read in conjunction with the question papers and the *Report on the Examination*.

- CIE will not enter into discussion or correspondence in connection with these mark schemes.

CIE is publishing the mark schemes for the June 2005 question papers for most IGCSE and GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.



Grade thresholds for Syllabus 0452 (Accounting) in the June 2005 examination.

	Maximum mark available	Minimum mark required for grade:			
		A	C	E	F
Component 2	90	73	58	39	30

The threshold (minimum mark) for B is set halfway between those for Grades A and C.
 The threshold (minimum mark) for D is set halfway between those for Grades C and E.
 The threshold (minimum mark) for G is set as many marks below F threshold as the E threshold is above it.

Grade A* does not exist at the level of an individual component.

June 2005

IGCSE

MARK SCHEME
MAXIMUM MARK: 90
SYLLABUS/COMPONENT: 0452/02 ACCOUNTING Paper 2



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Question number	Question (including any source details)	Part mark									
1 (a)	Cash book, Sales journal, Purchases journal, Sales returns journal, Purchases returns journal, Journal, Petty cash book (any two).	[2]									
(b)	An expense incurred in the accounting period but unpaid at the end of the period.	[1]									
(c)	Current liabilities.	[1]									
(d)	Suspense account.	[1]									
(e)	Profit and Loss Account.	[1]									
(f)	Error of original entry.	[1]									
(g)	Business will continue trading for the foreseeable future.	[1]									
(h)	(i) \$1,800	[1]									
	(ii) \$1,800	[1]									
	(iii) \$8,400	[1]									
	(iv)										
	<table> <tr> <td></td><td>Dr \$</td><td>Cr \$</td></tr> <tr> <td>Profit and Loss Account (accept Depreciation account)</td><td>1 800 (1)OF</td><td></td></tr> <tr> <td>Provision for depreciation</td><td></td><td>1 800 (1)OF</td></tr> </table>		Dr \$	Cr \$	Profit and Loss Account (accept Depreciation account)	1 800 (1)OF		Provision for depreciation		1 800 (1)OF	[2]
	Dr \$	Cr \$									
Profit and Loss Account (accept Depreciation account)	1 800 (1)OF										
Provision for depreciation		1 800 (1)OF									
		[Total: 13]									

Question number	Question (including any source details)	Part mark																																																																								
2 (a)	Bonnie Clyde Balance Sheet at 31 March 2005 <table> <tr> <td></td><td style="text-align: right;">\$</td><td style="text-align: right;">\$</td></tr> <tr> <td>Fixed Assets</td><td></td><td></td></tr> <tr> <td>Machinery at cost</td><td style="text-align: right;">20 000 (1)</td><td></td></tr> <tr> <td>Provision for depreciation</td><td style="text-align: right;"><u>12 000 (1)</u></td><td></td></tr> <tr> <td>Net book value</td><td></td><td style="text-align: right;">8 000 (1)</td></tr> <tr> <td>Current Assets</td><td></td><td></td></tr> <tr> <td>Stock</td><td style="text-align: right;">3 000 (1)</td><td></td></tr> <tr> <td>Debtors</td><td style="text-align: right;">1 000 (1)</td><td></td></tr> <tr> <td>Bank</td><td style="text-align: right;"><u>500 (1)</u></td><td></td></tr> <tr> <td></td><td style="text-align: right;">4 500</td><td></td></tr> <tr> <td>Current Liabilities</td><td></td><td></td></tr> <tr> <td>Creditors</td><td style="text-align: right;"><u>700 (1)</u></td><td></td></tr> <tr> <td>Working capital</td><td></td><td style="text-align: right;"><u>3 800</u></td></tr> <tr> <td></td><td></td><td style="text-align: right;">11 800</td></tr> <tr> <td>Long term Liability</td><td></td><td></td></tr> <tr> <td>Bank loan</td><td></td><td></td></tr> <tr> <td>(accept if under capital)</td><td></td><td style="text-align: right;"><u>2 800 (1)</u></td></tr> <tr> <td></td><td></td><td style="text-align: right;"><u>9 000</u></td></tr> <tr> <td>Capital</td><td></td><td></td></tr> <tr> <td>Balance at 1 April 2004</td><td></td><td style="text-align: right;">6 000 (1)</td></tr> <tr> <td>Profit for the year</td><td></td><td style="text-align: right;"><u>7 500 (1)</u></td></tr> <tr> <td></td><td></td><td style="text-align: right;">13 500</td></tr> <tr> <td>less drawings</td><td></td><td style="text-align: right;"><u>4 500 (1)</u></td></tr> <tr> <td></td><td></td><td style="text-align: right;"><u>9 000 (1) for matching totals</u></td></tr> </table> [Horizontal format acceptable] (b) (i) Current assets less current liabilities (1) Capital needed for day to day running of business (1) (ii) Working capital \$4 500 (1OF) less \$700 (1)OF = \$3 800 (1)		\$	\$	Fixed Assets			Machinery at cost	20 000 (1)		Provision for depreciation	<u>12 000 (1)</u>		Net book value		8 000 (1)	Current Assets			Stock	3 000 (1)		Debtors	1 000 (1)		Bank	<u>500 (1)</u>			4 500		Current Liabilities			Creditors	<u>700 (1)</u>		Working capital		<u>3 800</u>			11 800	Long term Liability			Bank loan			(accept if under capital)		<u>2 800 (1)</u>			<u>9 000</u>	Capital			Balance at 1 April 2004		6 000 (1)	Profit for the year		<u>7 500 (1)</u>			13 500	less drawings		<u>4 500 (1)</u>			<u>9 000 (1) for matching totals</u>	[12] [4] [Total: 16]
	\$	\$																																																																								
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Page 3	Downloaded from eduresourceza.com Mark Scheme	Syllabus	Paper
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Question number	Question (including any source details)	Part mark																																				
3 (a)	Zafira Cash Book <table><tr><td>Dr \$</td><td>Cr \$</td></tr><tr><td>Balance b/d 620 (1)</td><td>Bank charges 15 (1)</td></tr><tr><td>Bank interest 20 (1)</td><td>Insurance (D/debit) 40 (1)</td></tr><tr><td>Aisha 130 (1)</td><td>Dishonoured cheque, Yanni (either) 65 (1)</td></tr><tr><td>(credit transfer)</td><td></td></tr><tr><td></td><td>Balance c/d 650</td></tr><tr><td></td><td>770</td></tr><tr><td>770</td><td></td></tr><tr><td>Balance b/d 650 (1)OF</td><td></td></tr></table> [Running balance acceptable] Bank reconciliation statement at 30 April 2005 <table><tr><td>Balance on updated cash book (from (a) above)</td><td>650</td><td>(1)OF</td></tr><tr><td>Adjustments:</td><td></td><td></td></tr><tr><td>add: unrepresented cheque</td><td>250 900</td><td>(1)</td></tr><tr><td>less: amount not yet credited</td><td>310</td><td>(1)</td></tr><tr><td>Balance on bank statement</td><td>590</td><td>(2)</td></tr><tr><td>[Amounts must have narrative]</td><td></td><td>(1)OF</td></tr></table>	Dr \$	Cr \$	Balance b/d 620 (1)	Bank charges 15 (1)	Bank interest 20 (1)	Insurance (D/debit) 40 (1)	Aisha 130 (1)	Dishonoured cheque, Yanni (either) 65 (1)	(credit transfer)			Balance c/d 650		770	770		Balance b/d 650 (1)OF		Balance on updated cash book (from (a) above)	650	(1)OF	Adjustments:			add: unrepresented cheque	250 900	(1)	less: amount not yet credited	310	(1)	Balance on bank statement	590	(2)	[Amounts must have narrative]		(1)OF	[7]
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add: unrepresented cheque	250 900	(1)																																				
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Balance on bank statement	590	(2)																																				
[Amounts must have narrative]		(1)OF																																				
(b)																																						
(c)	Incorrect entry in cash book Transposition of figures in cash book Addition error on cash book page Item on bank statement omitted from cash book - or similar explanations [Any two - 2 marks each] [Repeating part (b) = 0]	[5]																																				
		[4]																																				
		[Total: 16]																																				

Question number	Question (including any source details)	Part mark																																																																																																								
4 (a)	Redd - Purchases Ledger Block account <table><tr><td>2005</td><td></td><td>\$</td><td></td><td>2005</td><td></td><td>\$</td><td></td></tr><tr><td>8 March</td><td>Purchases returns</td><td>100</td><td>(1)</td><td>5 March</td><td>Purchases</td><td>320</td><td>(1)</td></tr><tr><td>30 March</td><td>Bank</td><td>220</td><td>(1)</td><td>29 March</td><td>Purchases</td><td>270</td><td>(1)</td></tr><tr><td>31 March</td><td>Balance c/d</td><td>270</td><td>(1)</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>590</td><td></td><td></td><td></td><td>590</td><td></td></tr><tr><td></td><td></td><td></td><td></td><td>1 April</td><td>Balance b/d</td><td>270</td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>(1)OF</td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> Quayle account <table><tr><td>2005</td><td></td><td>\$</td><td></td><td>2005</td><td></td><td>\$</td><td></td></tr><tr><td>31 March</td><td>Bank Discount</td><td>485</td><td>(1)</td><td>17 March</td><td>Purchases</td><td>500</td><td>(1)</td></tr><tr><td></td><td></td><td>15</td><td>(1)</td><td></td><td></td><td>500</td><td></td></tr><tr><td></td><td></td><td>500</td><td></td><td></td><td></td><td>500</td><td></td></tr></table> + (1) for all dates [need not show year] [Running balance acceptable]	2005		\$		2005		\$		8 March	Purchases returns	100	(1)	5 March	Purchases	320	(1)	30 March	Bank	220	(1)	29 March	Purchases	270	(1)	31 March	Balance c/d	270	(1)							590				590						1 April	Balance b/d	270								(1)OF																		2005		\$		2005		\$		31 March	Bank Discount	485	(1)	17 March	Purchases	500	(1)			15	(1)			500				500				500		[10]
2005		\$		2005		\$																																																																																																				
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		15	(1)			500																																																																																																				
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(b)	Rent account <table><tr><td>2004</td><td></td><td></td><td></td><td>2005</td><td></td><td></td><td></td></tr><tr><td>2 April</td><td>Bank</td><td>900</td><td>(1)</td><td>31 March</td><td>P/L Account</td><td>3 600</td><td>(1)</td></tr><tr><td>2 July</td><td>Bank</td><td>700</td><td>(1)</td><td></td><td>Balance c/d</td><td>800</td><td>(1)</td></tr><tr><td>31 July</td><td>Bank</td><td>200</td><td></td><td></td><td></td><td>4 400</td><td></td></tr><tr><td>30 Sept</td><td>Bank</td><td>900</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>2005</td><td></td><td>(1)</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>4 Jan</td><td>Bank</td><td>900</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>29 March</td><td>Bank</td><td>800</td><td>(1)</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>4 400</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>1 April</td><td>Balance b/d</td><td>800</td><td>(1)OF</td><td></td><td></td><td></td><td></td></tr></table> [Must have narrative] [Running balance acceptable] + (1) for all dates	2004				2005				2 April	Bank	900	(1)	31 March	P/L Account	3 600	(1)	2 July	Bank	700	(1)		Balance c/d	800	(1)	31 July	Bank	200				4 400		30 Sept	Bank	900														2005		(1)						4 Jan	Bank	900						29 March	Bank	800	(1)							4 400						1 April	Balance b/d	800	(1)OF					[8]																
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Question number	Question (including any source details)	Part mark
(c)	Gross profit/Sales x 100 6 510 (1)OF/16 210 (1)OF x 100 = 40.16% (1)OF	[3]
(d)	(i) Gross profit increased (1) by \$90(1)	[2]
	(ii) Revised gross profit percentage: 6 600 (1)OF/16 300 (1)OF x 100 = 40.49% (1)OF	[3]
		[Total: 23]