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Cambridge International General Certificate of Secondary Education

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**ACCOUNTING**

**0452/12**

Paper 1

**May/June 2018**

MARK SCHEME

Maximum Mark: 120

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| <b>Published</b> |
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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.

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This document consists of **14** 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        |        | <b>10</b> |
| 1(a)     | B      | <b>1</b>  |
| 1(b)     | A      | <b>1</b>  |
| 1(c)     | A      | <b>1</b>  |
| 1(d)     | A      | <b>1</b>  |
| 1(e)     | D      | <b>1</b>  |
| 1(f)     | C      | <b>1</b>  |
| 1(g)     | D      | <b>1</b>  |
| 1(h)     | B      | <b>1</b>  |
| 1(i)     | C      | <b>1</b>  |
| 1(j)     | B      | <b>1</b>  |

| Question | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Marks                       |                                                                 |               |                     |    |   |      |     |       |     |   |      |            |                   |            |   |                                          |                             |                                                                 |               |   |                          |                        |     |            |   |          |            |           |            |           |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------|---------------|---------------------|----|---|------|-----|-------|-----|---|------|------------|-------------------|------------|---|------------------------------------------|-----------------------------|-----------------------------------------------------------------|---------------|---|--------------------------|------------------------|-----|------------|---|----------|------------|-----------|------------|-----------|
| 2(a)     | <p>Reduces the number of entries in the ledger<br/>Acts as an aid for posting to the ledger<br/>Helps to gather and summarise accounting information e.g. total credit purchases<br/>Helps in the preparation of control accounts<br/>Groups together similar types of transactions<br/>Allows work to be divided between several people/train junior accountants<br/>To see as a list of transactions/reference purposes<br/><b>Accept other valid points.</b></p> <p><b>Any 2 reasons – 1 mark each</b></p>                                                                                                                                                                                                 | <b>Max 2</b>                |                                                                 |               |                     |    |   |      |     |       |     |   |      |            |                   |            |   |                                          |                             |                                                                 |               |   |                          |                        |     |            |   |          |            |           |            |           |
| 2(b)     | 1    Cash Book                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1</b>                    |                                                                 |               |                     |    |   |      |     |       |     |   |      |            |                   |            |   |                                          |                             |                                                                 |               |   |                          |                        |     |            |   |          |            |           |            |           |
|          | 2    Purchases returns journal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1</b>                    |                                                                 |               |                     |    |   |      |     |       |     |   |      |            |                   |            |   |                                          |                             |                                                                 |               |   |                          |                        |     |            |   |          |            |           |            |           |
|          | 3    General journal or journa                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1</b>                    |                                                                 |               |                     |    |   |      |     |       |     |   |      |            |                   |            |   |                                          |                             |                                                                 |               |   |                          |                        |     |            |   |          |            |           |            |           |
| 2(c)     | <table><tr><td></td><td>Account(s) debited</td><td>\$</td><td>Account(s) credited</td><td>\$</td></tr><tr><td>1</td><td>Cash</td><td>220</td><td>Sales</td><td>220</td></tr><tr><td>2</td><td>Jane</td><td>440    (1)</td><td>Purchases returns</td><td>440    (1)</td></tr><tr><td>3</td><td>Motor vehicles<br/>Motor vehicle expenses</td><td>12 100    (1)<br/>300    (1)</td><td>Speedy Motors<br/>Can have 2 entries here which add up to 12 400</td><td>12 400    (1)</td></tr><tr><td>4</td><td>Bank<br/>Discount allowed</td><td>392    (1)<br/>8    (1)</td><td>Tan</td><td>400    (1)</td></tr><tr><td>5</td><td>Drawings</td><td>120    (1)</td><td>Purchases</td><td>120    (1)</td></tr></table> |                             | Account(s) debited                                              | \$            | Account(s) credited | \$ | 1 | Cash | 220 | Sales | 220 | 2 | Jane | 440    (1) | Purchases returns | 440    (1) | 3 | Motor vehicles<br>Motor vehicle expenses | 12 100    (1)<br>300    (1) | Speedy Motors<br>Can have 2 entries here which add up to 12 400 | 12 400    (1) | 4 | Bank<br>Discount allowed | 392    (1)<br>8    (1) | Tan | 400    (1) | 5 | Drawings | 120    (1) | Purchases | 120    (1) | <b>10</b> |
|          | Account(s) debited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$                          | Account(s) credited                                             | \$            |                     |    |   |      |     |       |     |   |      |            |                   |            |   |                                          |                             |                                                                 |               |   |                          |                        |     |            |   |          |            |           |            |           |
| 1        | Cash                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 220                         | Sales                                                           | 220           |                     |    |   |      |     |       |     |   |      |            |                   |            |   |                                          |                             |                                                                 |               |   |                          |                        |     |            |   |          |            |           |            |           |
| 2        | Jane                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 440    (1)                  | Purchases returns                                               | 440    (1)    |                     |    |   |      |     |       |     |   |      |            |                   |            |   |                                          |                             |                                                                 |               |   |                          |                        |     |            |   |          |            |           |            |           |
| 3        | Motor vehicles<br>Motor vehicle expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 12 100    (1)<br>300    (1) | Speedy Motors<br>Can have 2 entries here which add up to 12 400 | 12 400    (1) |                     |    |   |      |     |       |     |   |      |            |                   |            |   |                                          |                             |                                                                 |               |   |                          |                        |     |            |   |          |            |           |            |           |
| 4        | Bank<br>Discount allowed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 392    (1)<br>8    (1)      | Tan                                                             | 400    (1)    |                     |    |   |      |     |       |     |   |      |            |                   |            |   |                                          |                             |                                                                 |               |   |                          |                        |     |            |   |          |            |           |            |           |
| 5        | Drawings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 120    (1)                  | Purchases                                                       | 120    (1)    |                     |    |   |      |     |       |     |   |      |            |                   |            |   |                                          |                             |                                                                 |               |   |                          |                        |     |            |   |          |            |           |            |           |
| 2(d)     | (838) + 220 (1) + 392 (1) = 226 overdrawn/Cr or / (226) (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>3</b>                    |                                                                 |               |                     |    |   |      |     |       |     |   |      |            |                   |            |   |                                          |                             |                                                                 |               |   |                          |                        |     |            |   |          |            |           |            |           |
| 2(e)(i)  | Sales ledger or trade receivables ledger                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1</b>                    |                                                                 |               |                     |    |   |      |     |       |     |   |      |            |                   |            |   |                                          |                             |                                                                 |               |   |                          |                        |     |            |   |          |            |           |            |           |

| Question | Answer                    | Marks |
|----------|---------------------------|-------|
| 2(e)(ii) | General or nominal ledger | 1     |

| Question | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Marks          |         |                      |                |         |    |      |  |  |      |  |  |        |                       |     |       |                 |        |  |                    |         |      |  |  |  |                         |     |        |                      |     |  |                 |        |  |                      |         |  |  |                |  |  |                |  |  |  |       |             |        |   |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------|----------------------|----------------|---------|----|------|--|--|------|--|--|--------|-----------------------|-----|-------|-----------------|--------|--|--------------------|---------|------|--|--|--|-------------------------|-----|--------|----------------------|-----|--|-----------------|--------|--|----------------------|---------|--|--|----------------|--|--|----------------|--|--|--|-------|-------------|--------|---|
| 3(a)     | <div><div>Kumu<br/>Purchase ledger control account</div><table><tr><th>Date</th><th>Details</th><th>\$</th><th>Date</th><th>Details</th><th>\$</th></tr><tr><td>2018</td><td></td><td></td><td>2017</td><td></td><td></td></tr><tr><td>Apr 30</td><td>Discount received (1)</td><td>330</td><td>May 1</td><td>Balance b/d (1)</td><td>19 800</td></tr><tr><td></td><td>Bank (2) CF (1) OF</td><td>177 862</td><td>2018</td><td></td><td></td></tr><tr><td></td><td>Contra sales ledger (1)</td><td>400</td><td>Apr 30</td><td>Interest charged (1)</td><td>122</td></tr><tr><td></td><td>Balance c/d (1)</td><td>22 200</td><td></td><td>Credit purchases (1)</td><td>180 870</td></tr><tr><td></td><td></td><td><u>200 792</u></td><td></td><td></td><td><u>200 792</u></td></tr><tr><td></td><td></td><td></td><td>May 1</td><td>Balance b/d</td><td>22 200</td></tr></table></div> | Date           | Details | \$                   | Date           | Details | \$ | 2018 |  |  | 2017 |  |  | Apr 30 | Discount received (1) | 330 | May 1 | Balance b/d (1) | 19 800 |  | Bank (2) CF (1) OF | 177 862 | 2018 |  |  |  | Contra sales ledger (1) | 400 | Apr 30 | Interest charged (1) | 122 |  | Balance c/d (1) | 22 200 |  | Credit purchases (1) | 180 870 |  |  | <u>200 792</u> |  |  | <u>200 792</u> |  |  |  | May 1 | Balance b/d | 22 200 | 8 |
| Date     | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$             | Date    | Details              | \$             |         |    |      |  |  |      |  |  |        |                       |     |       |                 |        |  |                    |         |      |  |  |  |                         |     |        |                      |     |  |                 |        |  |                      |         |  |  |                |  |  |                |  |  |  |       |             |        |   |
| 2018     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                | 2017    |                      |                |         |    |      |  |  |      |  |  |        |                       |     |       |                 |        |  |                    |         |      |  |  |  |                         |     |        |                      |     |  |                 |        |  |                      |         |  |  |                |  |  |                |  |  |  |       |             |        |   |
| Apr 30   | Discount received (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 330            | May 1   | Balance b/d (1)      | 19 800         |         |    |      |  |  |      |  |  |        |                       |     |       |                 |        |  |                    |         |      |  |  |  |                         |     |        |                      |     |  |                 |        |  |                      |         |  |  |                |  |  |                |  |  |  |       |             |        |   |
|          | Bank (2) CF (1) OF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 177 862        | 2018    |                      |                |         |    |      |  |  |      |  |  |        |                       |     |       |                 |        |  |                    |         |      |  |  |  |                         |     |        |                      |     |  |                 |        |  |                      |         |  |  |                |  |  |                |  |  |  |       |             |        |   |
|          | Contra sales ledger (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 400            | Apr 30  | Interest charged (1) | 122            |         |    |      |  |  |      |  |  |        |                       |     |       |                 |        |  |                    |         |      |  |  |  |                         |     |        |                      |     |  |                 |        |  |                      |         |  |  |                |  |  |                |  |  |  |       |             |        |   |
|          | Balance c/d (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 22 200         |         | Credit purchases (1) | 180 870        |         |    |      |  |  |      |  |  |        |                       |     |       |                 |        |  |                    |         |      |  |  |  |                         |     |        |                      |     |  |                 |        |  |                      |         |  |  |                |  |  |                |  |  |  |       |             |        |   |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u>200 792</u> |         |                      | <u>200 792</u> |         |    |      |  |  |      |  |  |        |                       |     |       |                 |        |  |                    |         |      |  |  |  |                         |     |        |                      |     |  |                 |        |  |                      |         |  |  |                |  |  |                |  |  |  |       |             |        |   |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                | May 1   | Balance b/d          | 22 200         |         |    |      |  |  |      |  |  |        |                       |     |       |                 |        |  |                    |         |      |  |  |  |                         |     |        |                      |     |  |                 |        |  |                      |         |  |  |                |  |  |                |  |  |  |       |             |        |   |
| 3(b)     | $\frac{\text{Trade payables}}{\text{Credit purchases}} \times 365$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1              |         |                      |                |         |    |      |  |  |      |  |  |        |                       |     |       |                 |        |  |                    |         |      |  |  |  |                         |     |        |                      |     |  |                 |        |  |                      |         |  |  |                |  |  |                |  |  |  |       |             |        |   |
| 3(c)     | $\frac{22\,200}{180\,870} \times 365 \} (1) = 45 \text{ days } (1)$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2              |         |                      |                |         |    |      |  |  |      |  |  |        |                       |     |       |                 |        |  |                    |         |      |  |  |  |                         |     |        |                      |     |  |                 |        |  |                      |         |  |  |                |  |  |                |  |  |  |       |             |        |   |

| Question | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Marks        |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 3(d)     | Not satisfied <b>(1) OF</b><br><br>The payment period is longer than the standard terms allowed <b>(1) OF</b>                                                                                                                                                                                                                                                                                                                                                                                      | <b>2</b>     |
| 3(e)     | An unsatisfactory payment period might make it difficult to obtain credit in the future<br>Might get a poor credit rating/reputation<br>Could affect the ability to make purchases from chosen suppliers<br>If unable to make purchases may not be able to satisfy own customers<br>May be charged interest for late payment<br>Can't take advantage of <b>cash</b> discounts/discount received<br>May refuse to supply<br><br><b>Accept other valid points.</b><br><b>Max 2, 1 mark per point</b> | <b>Max 2</b> |
| 3(f)     | $\frac{92\,250}{205\,000} \times 100$ <b>(1)</b> = 45% <b>(1)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>2</b>     |
| 3(g)     | (\$205 000 + \$35 000) <b>(1)</b> – (26 400 + 180 870) <b>(1)</b> = \$32 730 <b>(1) OF</b><br>If answer = \$59 130 <b>(2)</b><br><br><b>Accept alternative calculations</b>                                                                                                                                                                                                                                                                                                                        | <b>3</b>     |
| 3(h)     | $\frac{\text{Cost of sales}}{\text{Average inventory}}$                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1</b>     |
| 3(i)     | $\frac{205\,000}{(32\,730 \text{ OF} + 35\,000) \div 2} \text{ (1) OF} = 6.05 \text{ times (1) OF}$                                                                                                                                                                                                                                                                                                                                                                                                | <b>2</b>     |

| Question | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                      | Marks    |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| 4(a)     | <p>An accrual is an amount <b>owing (1)</b> for an expense incurred in the <b>current (1)</b> financial period. It will be included in the statement of financial position as a current <b>liability (1)</b>.</p> <p>Accrued income is an amount <b>earned (1)</b> which will be received in the <b>next (1)</b> financial period. It will be included in the statement of financial position as a current <b>asset (1)</b>.</p>            | <b>6</b> |
| 4(b)     | <p><math>(4 + 6 + 2) (1) \times \\$20 (1) = \\$240 (1)</math></p> <p><b>Accept alternative calculations</b></p>                                                                                                                                                                                                                                                                                                                             | <b>3</b> |
| 4(c)     | $\$20\,200 - \$240 (1) \text{ OF} = \$19\,960 (1) \text{ OF}$                                                                                                                                                                                                                                                                                                                                                                               | <b>2</b> |
| 4(d)     | <p>Chandra has received income in advance which he has not yet earned<br/> It is a liability to Chandra as he owes the learners<br/> Chandra has prepaid income at the year-end<br/> Chandra has received other income<br/> Application of accruals (matching) principle/application of prudence/advance payments must be deducted from actual income</p> <p><b>Accept other valid points.</b><br/> <b>Any 2 comments × 1 mark each</b></p> | <b>2</b> |

| Question         | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Marks          |                |                        |                |    |              |  |  |  |       |         |  |         |  |  |         |  |  |         |  |         |  |        |  |  |         |       |  |  |  |  |  |     |     |       |                  |  |  |  |                        |   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|------------------------|----------------|----|--------------|--|--|--|-------|---------|--|---------|--|--|---------|--|--|---------|--|---------|--|--------|--|--|---------|-------|--|--|--|--|--|-----|-----|-------|------------------|--|--|--|------------------------|---|
| 4(e)             | <div>Statement of revised profit for the year ended 31 January 2018</div> <table><tr><th></th><th>No Effect</th><th>Increase<br/>\$</th><th>Decrease<br/>\$</th><th>\$</th></tr><tr><td>Draft profit</td><td></td><td></td><td></td><td>8 760</td></tr><tr><td>Error 1</td><td></td><td>100 (1)</td><td></td><td></td></tr><tr><td>Error 2</td><td></td><td></td><td>600 (1)</td><td></td></tr><tr><td>Error 3</td><td></td><td>89 (1)</td><td></td><td></td></tr><tr><td>Error 4</td><td>✓ (1)</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>189</td><td>600</td><td>(411)</td></tr><tr><td>Corrected profit</td><td></td><td></td><td></td><td>8 349<br/>(2) CF (1) OF</td></tr></table> |                | No Effect      | Increase<br>\$         | Decrease<br>\$ | \$ | Draft profit |  |  |  | 8 760 | Error 1 |  | 100 (1) |  |  | Error 2 |  |  | 600 (1) |  | Error 3 |  | 89 (1) |  |  | Error 4 | ✓ (1) |  |  |  |  |  | 189 | 600 | (411) | Corrected profit |  |  |  | 8 349<br>(2) CF (1) OF | 6 |
|                  | No Effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Increase<br>\$ | Decrease<br>\$ | \$                     |                |    |              |  |  |  |       |         |  |         |  |  |         |  |  |         |  |         |  |        |  |  |         |       |  |  |  |  |  |     |     |       |                  |  |  |  |                        |   |
| Draft profit     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |                | 8 760                  |                |    |              |  |  |  |       |         |  |         |  |  |         |  |  |         |  |         |  |        |  |  |         |       |  |  |  |  |  |     |     |       |                  |  |  |  |                        |   |
| Error 1          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 100 (1)        |                |                        |                |    |              |  |  |  |       |         |  |         |  |  |         |  |  |         |  |         |  |        |  |  |         |       |  |  |  |  |  |     |     |       |                  |  |  |  |                        |   |
| Error 2          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                | 600 (1)        |                        |                |    |              |  |  |  |       |         |  |         |  |  |         |  |  |         |  |         |  |        |  |  |         |       |  |  |  |  |  |     |     |       |                  |  |  |  |                        |   |
| Error 3          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 89 (1)         |                |                        |                |    |              |  |  |  |       |         |  |         |  |  |         |  |  |         |  |         |  |        |  |  |         |       |  |  |  |  |  |     |     |       |                  |  |  |  |                        |   |
| Error 4          | ✓ (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                |                |                        |                |    |              |  |  |  |       |         |  |         |  |  |         |  |  |         |  |         |  |        |  |  |         |       |  |  |  |  |  |     |     |       |                  |  |  |  |                        |   |
|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 189            | 600            | (411)                  |                |    |              |  |  |  |       |         |  |         |  |  |         |  |  |         |  |         |  |        |  |  |         |       |  |  |  |  |  |     |     |       |                  |  |  |  |                        |   |
| Corrected profit |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |                | 8 349<br>(2) CF (1) OF |                |    |              |  |  |  |       |         |  |         |  |  |         |  |  |         |  |         |  |        |  |  |         |       |  |  |  |  |  |     |     |       |                  |  |  |  |                        |   |
| 4(f)             | <div>Business entity (1)</div> <div>Owner’s transactions should be kept separate from those of the business (1)</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2              |                |                        |                |    |              |  |  |  |       |         |  |         |  |  |         |  |  |         |  |         |  |        |  |  |         |       |  |  |  |  |  |     |     |       |                  |  |  |  |                        |   |

| Question | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Marks |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 4(g)     | <p>Chandra is a sole trader, LQ is a limited company</p> <p>Different capital structure</p> <p>Different size, economies of scale</p> <p>Chandra is a new business, LQ is established</p> <p>The financial statements of Chandra will be for only one year, which will not show trends</p> <p>The financial statements may be for a year which is not typical</p> <p>The businesses may have different accounting policies/methods</p> <p>The businesses may have different operating policies</p> <p>The businesses may have different year ends</p> <p>The financial statements do not show non-monetary factors</p> <p>It may not be possible to obtain all the information needed to make comparisons</p> <p><b>Accept other valid points</b><br/> <b>1 mark per point, maximum 2</b></p> | 2     |

**PUBLISHED**

| Question | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Marks        |         |                        |              |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------|------------------------|--------------|---------|----|------|--|--|------|--|--|--------|----------------------------|-------|--------|-----------------|-------|------|--|--|------|------------------------|-----|-----|-------------------|-------|--------|----------------------|-------|----|----------------------------|-----|--|-----------------|-----|--|---------------|--------------|--|----------------------|--------------|-------|-------------|-----|--|-------------|-----|---|--|--------------|--|--|--------------|-------|--------------------|-----|--|--|--|----|
| 5(a)     | <div>WB Sports Club<br/>Subscriptions account</div> <table><tr><th>Date</th><th>Details</th><th>\$</th><th>Date</th><th>Details</th><th>\$</th></tr><tr><td>2018</td><td></td><td></td><td>2017</td><td></td><td></td></tr><tr><td>Mar 31</td><td>Income and expenditure (1)</td><td>5 000</td><td>Apr 1</td><td>Balance b/d (1)</td><td>120</td></tr><tr><td></td><td></td><td></td><td>2018</td><td></td><td></td></tr><tr><td></td><td></td><td></td><td>Mar 31</td><td>Bank/cash (1)</td><td>4 740</td></tr><tr><td></td><td></td><td></td><td></td><td>Balance c/d (1)</td><td>140</td></tr><tr><td></td><td></td><td><u>5 000</u></td><td></td><td></td><td><u>5 000</u></td></tr><tr><td>Apr 1</td><td>Balance b/d</td><td>140</td><td></td><td></td><td></td></tr></table> <div>+ 1 dates</div>                                                                                                                                                                                                                                                                             | Date         | Details | \$                     | Date         | Details | \$ | 2018 |  |  | 2017 |  |  | Mar 31 | Income and expenditure (1) | 5 000 | Apr 1  | Balance b/d (1) | 120   |      |  |  | 2018 |                        |     |     |                   |       | Mar 31 | Bank/cash (1)        | 4 740 |    |                            |     |  | Balance c/d (1) | 140 |  |               | <u>5 000</u> |  |                      | <u>5 000</u> | Apr 1 | Balance b/d | 140 |  |             |     | 5 |  |              |  |  |              |       |                    |     |  |  |  |    |
| Date     | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | \$           | Date    | Details                | \$           |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
| 2018     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              | 2017    |                        |              |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
| Mar 31   | Income and expenditure (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 5 000        | Apr 1   | Balance b/d (1)        | 120          |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              | 2018    |                        |              |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              | Mar 31  | Bank/cash (1)          | 4 740        |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              |         | Balance c/d (1)        | 140          |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>5 000</u> |         |                        | <u>5 000</u> |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
| Apr 1    | Balance b/d                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 140          |         |                        |              |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
| 5(b)     | <div>WB Sports Club<br/>Receipts and Payments Account for the year ended 31 March 2018</div> <table><tr><th>Date</th><th>Details</th><th>\$</th><th>Date</th><th>Details</th><th>\$</th></tr><tr><td>2017</td><td></td><td></td><td>2018</td><td></td><td></td></tr><tr><td>Apr 1</td><td>Balance b/d (1)</td><td>960</td><td>Mar 31</td><td>Rent (1)</td><td>2 000</td></tr><tr><td>2018</td><td></td><td></td><td></td><td>Competition prizes (1)</td><td>220</td></tr><tr><td>Mar</td><td>Subscriptions (1)</td><td>4 740</td><td></td><td>General expenses (1)</td><td>682</td></tr><tr><td>31</td><td>Competition entry fees (1)</td><td>900</td><td></td><td>Insurance (1)</td><td>430</td></tr><tr><td></td><td>Donations (1)</td><td>350</td><td></td><td>Sports equipment (1)</td><td>2 760</td></tr><tr><td></td><td></td><td></td><td></td><td>Balance c/d</td><td>858</td></tr><tr><td></td><td></td><td><u>6 950</u></td><td></td><td></td><td><u>6 950</u></td></tr><tr><td>Apr 1</td><td>Balance b/d (1) OF</td><td>858</td><td></td><td></td><td></td></tr></table> | Date         | Details | \$                     | Date         | Details | \$ | 2017 |  |  | 2018 |  |  | Apr 1  | Balance b/d (1)            | 960   | Mar 31 | Rent (1)        | 2 000 | 2018 |  |  |      | Competition prizes (1) | 220 | Mar | Subscriptions (1) | 4 740 |        | General expenses (1) | 682   | 31 | Competition entry fees (1) | 900 |  | Insurance (1)   | 430 |  | Donations (1) | 350          |  | Sports equipment (1) | 2 760        |       |             |     |  | Balance c/d | 858 |   |  | <u>6 950</u> |  |  | <u>6 950</u> | Apr 1 | Balance b/d (1) OF | 858 |  |  |  | 10 |
| Date     | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | \$           | Date    | Details                | \$           |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
| 2017     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              | 2018    |                        |              |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
| Apr 1    | Balance b/d (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 960          | Mar 31  | Rent (1)               | 2 000        |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
| 2018     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              |         | Competition prizes (1) | 220          |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
| Mar      | Subscriptions (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 4 740        |         | General expenses (1)   | 682          |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
| 31       | Competition entry fees (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 900          |         | Insurance (1)          | 430          |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
|          | Donations (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 350          |         | Sports equipment (1)   | 2 760        |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              |         | Balance c/d            | 858          |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>6 950</u> |         |                        | <u>6 950</u> |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |
| Apr 1    | Balance b/d (1) OF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 858          |         |                        |              |         |    |      |  |  |      |  |  |        |                            |       |        |                 |       |      |  |  |      |                        |     |     |                   |       |        |                      |       |    |                            |     |  |                 |     |  |               |              |  |                      |              |       |             |     |  |             |     |   |  |              |  |  |              |       |                    |     |  |  |  |    |

| Question                      | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Marks |                |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------------|--|----|--------------------|--|--|--|-------------------------------|--|--|------------|----------------|--|--|--|---------------------|---------|--|--|-------------------|---------|--|--|------|---------|----|-------|--------------|--|--|---------------|------------------|--|--|--|-----------------|--------|--|--|----------------------|------------------|--|------------|---------------------|--|--|--|----------------|--|--|----------------|--|--|--|---------------|---|
| 5(c)                          | <div>WB Sports Club</div> <div>Statement of Financial Position at 31 March 2018</div> <table><thead><tr><th></th><th>\$</th><th></th><th>\$</th></tr></thead><tbody><tr><td>Non-current assets</td><td></td><td></td><td></td></tr><tr><td>Sports equipment at valuation</td><td></td><td></td><td>15 760 (1)</td></tr><tr><td>Current assets</td><td></td><td></td><td></td></tr><tr><td>Subscriptions owing</td><td>140 (1)</td><td></td><td></td></tr><tr><td>Other receivables</td><td>500 (1)</td><td></td><td></td></tr><tr><td>Bank</td><td>858 (1)</td><td>OF</td><td>1 498</td></tr><tr><td>Total assets</td><td></td><td></td><td><u>17 258</u></td></tr><tr><td>Accumulated fund</td><td></td><td></td><td></td></tr><tr><td>Opening balance</td><td>15 563</td><td></td><td></td></tr><tr><td>Surplus for the year</td><td><u>1 568 (1)</u></td><td></td><td>17 131 (1)</td></tr><tr><td>Current liabilities</td><td></td><td></td><td></td></tr><tr><td>Other payables</td><td></td><td></td><td><u>127 (1)</u></td></tr><tr><td></td><td></td><td></td><td><u>17 258</u></td></tr></tbody></table> |       | \$             |  | \$ | Non-current assets |  |  |  | Sports equipment at valuation |  |  | 15 760 (1) | Current assets |  |  |  | Subscriptions owing | 140 (1) |  |  | Other receivables | 500 (1) |  |  | Bank | 858 (1) | OF | 1 498 | Total assets |  |  | <u>17 258</u> | Accumulated fund |  |  |  | Opening balance | 15 563 |  |  | Surplus for the year | <u>1 568 (1)</u> |  | 17 131 (1) | Current liabilities |  |  |  | Other payables |  |  | <u>127 (1)</u> |  |  |  | <u>17 258</u> | 7 |
|                               | \$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |       | \$             |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
| Non-current assets            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       |                |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
| Sports equipment at valuation |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       | 15 760 (1)     |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
| Current assets                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       |                |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
| Subscriptions owing           | 140 (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       |                |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
| Other receivables             | 500 (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       |                |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
| Bank                          | 858 (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | OF    | 1 498          |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
| Total assets                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       | <u>17 258</u>  |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
| Accumulated fund              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       |                |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
| Opening balance               | 15 563                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |       |                |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
| Surplus for the year          | <u>1 568 (1)</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |       | 17 131 (1)     |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
| Current liabilities           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       |                |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
| Other payables                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       | <u>127 (1)</u> |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       | <u>17 258</u>  |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |
| 5(d)                          | It is the total of all the surpluses (1) made by the club less all the deficits (1) since the start of the club                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2     |                |  |    |                    |  |  |  |                               |  |  |            |                |  |  |  |                     |         |  |  |                   |         |  |  |      |         |    |       |              |  |  |               |                  |  |  |  |                 |        |  |  |                      |                  |  |            |                     |  |  |  |                |  |  |                |  |  |  |               |   |

| Question                    | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Marks         |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------|--------------------|-----------------|-----------|------------------|-------------------------|--------------|---------------|--|--------|-----|----------------|----------------|-------|---|-------------------|--|-----------------------|-------------------|---------------|---------------------|-----|--------|------|---------|-----|------|---------|---------------|------|-------------|--|------|--|----------------|--------|----------|-----|----------------|-------------|------------|--|--------------|---------------|-----------------------------|---------------|---------------|--------|---|--|--|--------------------|------------|--|--|---------------|--|--|---------------|---|
| 6(a)                        | <table><tr><td>Assets</td><td>\$</td><td>\$</td><td></td></tr><tr><td>Equipment</td><td>(18 000 – 3 600)</td><td>14 400</td><td>(1)</td></tr><tr><td>Motor vehicle</td><td></td><td>5 500</td><td>(1)</td></tr><tr><td>Inventory</td><td></td><td>2 934</td><td rowspan="2">}</td></tr><tr><td>Other receivables</td><td></td><td>120</td></tr><tr><td>Trade receivables</td><td>(2 042 – 100)</td><td>1 942</td><td>(1)</td></tr><tr><td>Bank</td><td></td><td>209</td><td>(1)</td></tr><tr><td></td><td></td><td><u>25 105</u></td><td></td></tr><tr><td>Liabilities</td><td></td><td></td><td></td></tr><tr><td>Trade payables</td><td>1 495</td><td rowspan="2">}</td><td rowspan="2">(1)</td></tr><tr><td>Other payables</td><td>98</td></tr><tr><td></td><td></td><td><u>1 553</u></td><td></td></tr><tr><td>Capital at 31 December 2017</td><td></td><td><u>23 552</u></td><td>(1) OF</td></tr></table>                                                                                                                                                                                                                                                           | Assets        | \$     | \$                 |                 | Equipment | (18 000 – 3 600) | 14 400                  | (1)          | Motor vehicle |  | 5 500  | (1) | Inventory      |                | 2 934 | } | Other receivables |  | 120                   | Trade receivables | (2 042 – 100) | 1 942               | (1) | Bank   |      | 209     | (1) |      |         | <u>25 105</u> |      | Liabilities |  |      |  | Trade payables | 1 495  | }        | (1) | Other payables | 98          |            |  | <u>1 553</u> |               | Capital at 31 December 2017 |               | <u>23 552</u> | (1) OF | 7 |  |  |                    |            |  |  |               |  |  |               |   |
| Assets                      | \$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$            |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Equipment                   | (18 000 – 3 600)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 14 400        | (1)    |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Motor vehicle               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 5 500         | (1)    |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Inventory                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2 934         | }      |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Other receivables           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 120           |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Trade receivables           | (2 042 – 100)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1 942         | (1)    |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Bank                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 209           | (1)    |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <u>25 105</u> |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Liabilities                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |               |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Trade payables              | 1 495                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | }             | (1)    |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Other payables              | 98                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |               |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <u>1 553</u>  |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Capital at 31 December 2017 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <u>23 552</u> | (1) OF |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| 6(b)                        | <table><tr><td></td><td>\$</td><td></td></tr><tr><td>Opening capital</td><td>20 300</td><td>(1)</td></tr><tr><td>Add: Capital introduced</td><td><u>5 500</u></td><td>(1)</td></tr><tr><td></td><td>25 800</td><td></td></tr><tr><td>Less: Drawings</td><td><u>(2 700)</u></td><td>(1)</td></tr><tr><td></td><td>23 100</td><td></td></tr><tr><td>Less: closing capital</td><td><u>(23 552)</u></td><td>(1) OF</td></tr><tr><td>Profit for the year</td><td>452</td><td>(1) OF</td></tr></table> <p>Alternative presentation</p> <table><tr><td>Date</td><td>Details</td><td>\$</td><td>Date</td><td>Details</td><td>\$</td></tr><tr><td>2017</td><td></td><td></td><td>2017</td><td></td><td></td></tr><tr><td>Dec 31</td><td>Drawings</td><td>(1)</td><td>Jan 1</td><td>Balance b/d</td><td>(1) 20 300</td></tr><tr><td></td><td>Balance c/d</td><td>(1) OF 23 552</td><td>Dec 31</td><td>Motor vehicle</td><td>(1) 5 500</td></tr><tr><td></td><td></td><td></td><td></td><td>Profit of the year</td><td>(1) OF 452</td></tr><tr><td></td><td></td><td><u>26 252</u></td><td></td><td></td><td><u>26 252</u></td></tr></table> <p>Accept alternative calculations</p> |               | \$     |                    | Opening capital | 20 300    | (1)              | Add: Capital introduced | <u>5 500</u> | (1)           |  | 25 800 |     | Less: Drawings | <u>(2 700)</u> | (1)   |   | 23 100            |  | Less: closing capital | <u>(23 552)</u>   | (1) OF        | Profit for the year | 452 | (1) OF | Date | Details | \$  | Date | Details | \$            | 2017 |             |  | 2017 |  |                | Dec 31 | Drawings | (1) | Jan 1          | Balance b/d | (1) 20 300 |  | Balance c/d  | (1) OF 23 552 | Dec 31                      | Motor vehicle | (1) 5 500     |        |   |  |  | Profit of the year | (1) OF 452 |  |  | <u>26 252</u> |  |  | <u>26 252</u> | 5 |
|                             | \$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |               |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Opening capital             | 20 300                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (1)           |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Add: Capital introduced     | <u>5 500</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (1)           |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
|                             | 25 800                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |               |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Less: Drawings              | <u>(2 700)</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (1)           |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
|                             | 23 100                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |               |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Less: closing capital       | <u>(23 552)</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (1) OF        |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Profit for the year         | 452                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | (1) OF        |        |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Date                        | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$            | Date   | Details            | \$              |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| 2017                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |               | 2017   |                    |                 |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
| Dec 31                      | Drawings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | (1)           | Jan 1  | Balance b/d        | (1) 20 300      |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
|                             | Balance c/d                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | (1) OF 23 552 | Dec 31 | Motor vehicle      | (1) 5 500       |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |               |        | Profit of the year | (1) OF 452      |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <u>26 252</u> |        |                    | <u>26 252</u>   |           |                  |                         |              |               |  |        |     |                |                |       |   |                   |  |                       |                   |               |                     |     |        |      |         |     |      |         |               |      |             |  |      |  |                |        |          |     |                |             |            |  |              |               |                             |               |               |        |   |  |  |                    |            |  |  |               |  |  |               |   |

| Question | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Marks |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 6(c)     | It shows the profit earned for each \$100 used in the business<br>Or<br>It shows how efficiently the capital is being employed<br>Profit received as a % of capital employed                                                                                                                                                                                                                                                                                                 | 1     |
| 6(d)     | $\frac{\text{Profit (for the year)}}{\text{Capital employed}} \times \frac{100}{1}$                                                                                                                                                                                                                                                                                                                                                                                          | 1     |
| 6(e)     | $\frac{452}{20\,300} \times \frac{100}{1} \text{ (1)} = 2.23\% \text{ (1) OF do need \%}$                                                                                                                                                                                                                                                                                                                                                                                    | 2     |
| 6(f)     | Siegfried started charging depreciation on non-current assets<br>Siegfried wrote off more bad debts this year<br>Increase in other expenses<br>Decrease in other income<br><br><b>Accept any valid reason.<br/>1 mark per point, Max 1</b>                                                                                                                                                                                                                                   | 1     |
| 6(g)     | Easier/quicker/used to prepare financial statements/calculate profit<br>Helps to check accuracy/arithmetic errors or detect/locate errors<br>Helps to prevent fraud<br>Easy reference<br>Balances are more easily available<br>More detail available in income statement<br>Easier to calculate accounting ratios/measure performance<br>Cheaper accountancy fees<br>Maintains the principle of duality<br><br><b>Accept other valid points<br/>1 mark per point , Max 3</b> | Max 3 |