Name

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

ACCOUNTING 0452/02

Paper 2

May/June 2005

1 hour 30 minutes

Candidates answer on the Question Paper. No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen in the spaces provided on the Question Paper.

You may use a soft pencil for rough working.

Do not use staples, paper clips, highlighters, glue or correction fluid.

Answer all questions.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [] at the end of each question or part question.

You may use a calculator.

Where layouts are to be completed, you may not need all the lines for your answer.

The businesses mentioned in this Question Paper are fictitious.

If you have been given a label, look at the details. If any details are incorrect or missing, please fill in your correct details in the space given at the top of this page.

Stick your personal label here, if provided.

For Exam	iner's Use
1	
2	
3	
4	
5	
Total	

This document consists of 13 printed pages and 3 blank pages.

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[Turn over

(a)	Nar	ne two books of prime (original) entry.
	(i) .	
	(ii) .	
(1-)	-	[2]
(a)	Exp	lain what is meant by an accrued expense.
		[1]
(c)	In w	hich section of the Balance Sheet will a bank overdraft be shown?
		[1]
(d)		which account would the unexplained difference on a trial balance be transferred?
		[1]
(e)	In w	hich final account will the cost of repairs to motor vehicles be shown?
		[1]
(f)		ales invoice is entered in the sales returns journal by mistake. Name the type of error ch has been made.
		[1]
(g)	Sta	te what is meant by going concern.
		[1]
(h)	Ahr	ned draws up his accounts to 31 March each year. He bought a machine on
		pril 2004 for \$12 000. Depreciation is to be charged at 15% per annum on a straight basis.
	(i)	Calculate the depreciation charge in his accounts for the year ended
		31 March 2005.
		[1]
	(ii)	Calculate the depreciation charge in his accounts for the year ended 31 March 2006.
		[1]
		[1]

(iii)	Calculate the net book value of the machine at 3	1 March 2006.	
			[1]
(iv)	Show the journal entry to enter the depreciation in Ahmed's accounts. A narrative is not required		31 March 2005
		Dr \$	Cr \$
			[2]
			[Total: 13]

2 Bonnie Clyde makes parts for cars and her financial year ends on 31 March. After preparing her Trading and Profit and Loss Account for the year ended 31 March 2005 her trial balance shows the following items.

Bonnie Clyde

\$

Bank	500 Dr
Bank loan repayable 2008	2 800
Creditors	700
Debtors	1 000
Machinery	20 000
Provision for depreciation on machinery	12 000
Stock	3 000
Drawings	4 500
Capital account at 1 April 2004	6 000
Profit for the year	7 500
·	

REQUIRED

(a) Prepare Bonnie's Balance Sheet at 31 March 2005.

Balance Sheet at 31 March 2005.			

									[12]
(b)	(i)	Define working	ng capital.							
										.[1]
	(ii)	From your 31 March 200		to (a)	above,	calculate	Bonnie's	working	capital	at
										.[3]
									[Total:	16]

3 The balance shown in the bank column in Zafira's cash book at 30 April 2005 was \$620 Dr.

She compares her cash book with the bank statement at 30 April. She finds the following items were included on the bank statement but are not yet in the cash book.

	\$
Bank charges	15
Direct debit paid for insurance	40
Bank interest received	20
Bank (credit) transfer from customer, Aisha	130
Dishonoured cheque, Yanni	65

REQUIRED

(a)	Write up the cas	sh book at 30 /	April 2005	and bring	down the	updated balan	се
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Zafira

Cash Book (bank columns)
[7]

At 30 April 2005 Zafira discovers the following:

- she has recorded a receipt in her cash book of \$310 but has not yet deposited the money at the bank
- 2 she has written a cheque for \$250 and entered it in the cash book but it has not yet been paid by the bank.

RE	QUIR	ED
(b)	Pre	pare the bank reconciliation statement at 30 April 2005.
		Zafira Bank reconciliation statement at 30 April 2005
		[E]
		[5]
	ira's eme	bank statement shows a balance which is different from the bank reconciliation nt.
RE	QUIR	ED
(c)	Sug	gest two possible errors which may have caused this difference.
	(i)	
	(ii)	
		[4]
		L " ,

[Total: 16]

4 Redd keeps full accounting records and makes up his final accounts to 31 March each year.

The following are extracts from his accounting records for March 2005.

Purchases Journal

		\$
5 March	Block	320
17 March	Quale	500
29 March	Block	270

Purchases Returns Journal

		\$
8 March	Block	100

Cash Book (Cr)

		Discount Received \$	Bank \$
30 March	Block	15	220
31 March	Quale		485

REQUIRED

(a) Write up the accounts of Block and Quayle in Redd's purchases ledger for the month of March 2005, showing any balances carried and brought down.

Redd – Purchases Ledger

Block account	
	•••••

Quayle account

			[10]
	ld pays rent on his business premises. made payments by cheque as follows i		
	2004	\$	
	2 April 2 July	900 700	
	31 July	200	
	30 September	900	
	2005		
	4 January 29 March	900 800	
	29 Maion	800	
REC	QUIRED		
	Show the entries in Redd's rent accommount transferred to the Profit and L		arch 2005 and the
	Show the entries in Redd's rent accommount transferred to the Profit and L		arch 2005 and the
	Show the entries in Redd's rent accommount transferred to the Profit and L	oss Account for the year.	arch 2005 and the
	Show the entries in Redd's rent accommount transferred to the Profit and L	oss Account for the year.	arch 2005 and the
	Show the entries in Redd's rent accommount transferred to the Profit and L	oss Account for the year.	arch 2005 and the
	Show the entries in Redd's rent accommount transferred to the Profit and L	oss Account for the year.	arch 2005 and the
	Show the entries in Redd's rent accommount transferred to the Profit and L	oss Account for the year.	arch 2005 and the
	Show the entries in Redd's rent accommount transferred to the Profit and L	oss Account for the year.	arch 2005 and the
	Show the entries in Redd's rent accommount transferred to the Profit and L	oss Account for the year.	arch 2005 and the
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	Show the entries in Redd's rent accommount transferred to the Profit and L	oss Account for the year.	arch 2005 and the
	Show the entries in Redd's rent accommount transferred to the Profit and L	oss Account for the year.	arch 2005 and the

[Total: 22]

(c)	(i)	Explain what is meant by matching.
		[2]
	(ii)	Describe how matching has been applied in Redd's rent account prepared in (b) above.
		[2]

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Question 5 is on the following page.

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5 A summary of William's cash book for the year ended 31 March 2005 shows the following.

William – Cash Book (bank columns)

Date		\$	Date		\$
1 April 2004	Balance b/d	730			
Year ended 31 March 2005	Cash and credit deposits from customers	15 270	Year ended 31 March 2005	Payments to suppliers, expenses and drawings	14 750
			31 March 2005	Balance c/d	1 250
	Total	16 000		Total	16 000
1 April 2005	Balance b/d	1 250			

You are given the following additional information:

Debtors at 1 April 2004 at 31 March 2005	\$ 3 140 4 080
Cash sales all deposited at the bank (already included in the deposits for the year shown above)	2 680
Stock at 1 April 2004 at 31 March 2005	1 780 1 920

An analysis of cheque payments shows the following:

	\$
Purchases from suppliers	9 560
Carriage inwards	280
Rent	600
Electricity	360
Motor expenses	800
Insurance	580
Wages paid to staff	1 370
Drawings (William)	<u>1 200</u>

<u>14 750</u>

REQUIRED

(a)	Calculate William's total credit sales for the year. Show your workings.
	[4]
(b)	Prepare William's Trading and Profit and Loss Account for the year ended 31 March 2005.
	William
	Trading and Profit and Loss Account for the year ended 31 March 2005
	ioi the year ended 31 March 2003

		[11]
(c)	Cal	culate William's gross profit percentage for the year, to two decimal places.
		[3]
		has forgotten to deposit \$90 cash sales at the bank on 31 March 2005. He wishes to saccounts for this amount by adding \$90 to sales.
REC	QUIR	ED
(d)	(i)	What would be the effect on his gross profit?
		[2]
	(ii)	Calculate William's revised gross profit percentage to two decimal places. Show your workings.
		[3]
		[Total: 23]

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