UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

International General Certificate of Secondary Education

MARK SCHEME for the May/June 2009 question paper

for the guidance of teachers

0452 ACCOUNTING

0452/02   Paper 2, maximum raw mark 90

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.

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UNIVERSITY *of* CAMBRIDGE
International Examinations

1 (a) Realisation [1]
(not accruals or matching)

(b)

		Asset	Liability
(i)	Prepayment	√ **(1)**	
(ii)	Bank overdraft		√ **(1)**
(iii)	Provision for depreciation		√ **(1)**

[3]

(c) A cheque issued and entered in the cash book **(1)** but not yet shown on the bank statement as paid by the bank **(1)** [2]
(accept "cheques not presented to the bank" for 1 mark)

(d) "Net realisable value" (*accept NRV*) [1]

(e) Trading (and Profit and Loss) account [1]
(accept Profit & Loss account or Income statement)

(f) Current assets **(1)** less current liabilities **(1)** *not "CA less CL"* [2]

(g) (i) Land, buildings, plant, equipment, fixtures, motor vehicles
(other acceptable fixed asset) [1]

   (ii) Any suitable revenue expense [1]

(h) Gross profit percentage = gross profit/sales × 100%

   = 22 500 **(1)** / 75 000 **(1)** × 100%

   = 30% **(1)OF** [3]

(need not show % sign but must not have any other term e.g. "times")

[Total: 15]

2 **(a)** $ 200.00 – $ 129.00 = $ 71.00 **(1)** [1]
   (accept $71 without .00)

   (b) $ 20.00 + 17.00 + 21.00 +14.50 = $ 72.50 **(1)** [1]
   (accept $72.5 without final 0 and throughout)

   (c) $ 200.00 **(1)** – $ 72.50 **(1)(OF from (b)**)) = $127.50 [2]
   *(award **(2)** for $127.50 but must show workings for OF mark)*

   (d) **(i)** Missing voucher, error or fraud **(1)**

   (ii) Missing or stolen cash **(1)** [2]

   (e) Always complete (get) a petty cash voucher **(1)** with an invoice or receipt for expenditure **(1)**
   Record all petty cash transactions **(1)** [2]
   (do not accept general comments about business records – must relate to petty cash)

   (f) See next page

Date April	Details	Total $	Date April	Details	Total $	Postage/ stationery $	Refrshmnts $	Flowers $	Cleaning $	Other/Loan $
1	Balance b/d *(not "bank" but accept "imprest" or "float")*	129.00**(1)** *or 200.00**(1)** (if no bank entry)*	5	Postage	20.00	20.00 **(1)**				
1	Bank *(not "cash")*	71.00**(1)**	10	Refreshments	17.00		17.00 **(1)**			
29	Menon/loan *(not "cash")*	100.00**(1)**	13	Menon/loan	100.00					100.00 **(1)**
			17	Flowers	21.00			21.00 **(1)**		
			24	Stationery	14.50	14.50 **(1)**				
			28	Cleaning	10.00				10.00 **(1)**	
			30	Balance c/d	117.50					
		300.00			300.00	34.50	17.00	21.00	10.00	100.00
May										
1	Balance b/d *(accept "imprest")*	117.50**(1)** **(OF) to agree with bal c/d**		**+ (1) for all dates (Dr and Cr)**						
1	Bank *(not "cash")*	82.50**(1)** **(OF) to total $200**								

(for both debits and credits, mark is for narrative detail, correct total and correct extension) **[12]**

[Total: 20]

3 **(a)** Purchases journal (day book) **(1)**
     *(accept "purchases", "purchases book", **not** "account" or "ledger")*

(b)

OFFICE SUPPLY COMPANY INVOICE			
Tom Charter 3 Mountain Close Tobermore		15 April 2009	
Item	**Quantity**	**Price per unit** $	**Total** $
Boxes of staples	20	7.50	150.00 **(1)** **(i)**
Packets of envelopes	25 **(1)** **(ii)**	14.00	<u>350.00</u>
			500.00
Less Trade **(1)** **(iii)** discount @ 3%			15.00 **(1)** **(iv)**
			———
Net amount			485.00 **(1)** **(v)**
			(correct figures only)
Terms: 2½% Cash **(1)** **(vi)** discount for settlement within 14 days			

[6]

(c)

Opening stock	7 600	**(1)**
Purchases	92 100	**(1)**
Less purchases returns	(2 300)	**(1)**
	97 400	
Less closing stock	9 200	**(1)**
Cost of goods sold	88 200	[4]

(narrative not required, award if correct numbers are shown)

(d) Rate of stock turnover = cost of goods sold / average stock

= (88 200 **(1)(OF)** / (7 600 + 9 200)**(1)** / 2**(1)**) times
*(award **2** marks for 8 400)*

= 10.5 times **(1)(OF)** *(must be 10.5 – do not award for "10" or "11")*

(award 4 marks if 10.5 shown without workings, otherwise only award marks in accordance with workings shown)

(accept 10.5 without "times", but do not accept with %, ratio or other description. Accept 34, 34.76 or 35 days if reciprocal formula is used) [4]

(e) (i) Food, drinks, petrol, etc. **(2)**

(ii) Jewellery, household appliances, cars, furniture etc. **(2)** [4]

[Total: 19]

4 (a)

Rupa
Motor expenses account

March			March		
6 Bank *(not cash)* *(not repairs)*	120.00	**(1)**	1 Balance b/d *(accept accrued/owing/outstanding)*	120.00	**(1)**
12 Bank *(not tyres)*	150.00	**(1)**			
31 Balance c/d *(accept accrued/owing)*	80.00	**(1)**	31 Profit & Loss *(not Trading)* Account*	230.00	**(1)OF**
	350.00			350.00	
			April		
			1 Balance b/d *(correct figure only)*	80.00	**(1)**
			(+ (1) for all correct dates)		[7]

(*award OF mark if Cr or Dr and amount closes account)

(b)

Mopsa
Rent account

April			April		
27 Bank *(not cash, not rent, landlord etc)*	500.00	**(1)**	1 Balance b/d *(accept accrued/owing/outstanding)*	150.00	**(1)**
30 Balance c/d *(accept accrued/owing)*	100.00	**(2)**	30 Profit & Loss Account*	450.00	**(1)OF**
	600.00			600.00	
			May		
			1 Balance b/d *(correct figure only)*	100.00	**(1)**
			(+ (1) for all correct dates)		[7]

(*award OF mark if Cr or Dr and amount closes account)

(c)

understated	√ **(2)**
overstated	

[2]

[Total: 16]

5 **(a)**

Gordon
Capital account

				2008		
				1 April Balance b/d	6 400	**(1)**
					(accept capital)	
2009				2009		
31 March Drawings	12 000	**(1)**		31 March Net profit	12 900	**(1)**
31 March Balance c/d	7 300	**(1)(OF)***				
	19 300				19 300	
				1 April Balance b/d	7 300	

(*award OF mark if Dr or Cr balance, and no alien figures)
(dates not required, narrative and figures only) [4]

(b) Gordon – Balance sheet at 31 March 2009

	Cost	Provision for depreciation	Net book value
Fixed assets	$	$	$
Plant and equipment	8 000	1 600	6 400 **(1)**
Motor vehicles	4 000	1 000	3 000 **(1)**
(correct narratives)	12 000	2 600	9 400

Current assets		
Stock	1 900	
Debtors	3 400	
Bank	700	
	6 000	**(1)**

(must show narrative and figures)

Current liabilities		
Creditors	2 100	**(1)**
Net current assets (working capital)	3 900	**(1)**

(award 1 mark if horizontal balance sheet and CA and CL are correct)

	13 300
Less long term liability	
Bank loan repayable 2011	6 000 **(1)**
(may be shown under "Financed by")	7 300 **(1)OF**

(total to agree with total below, must be arithmetically correct)

Financed by:	
Capital	7 300 **(1)**

(or balance from part (a) only)

[8]

5 **(c)** **(i)** Current assets / Current liabilities
6 000 **(1)OF** / 2 100 **(1)OF** = 2.86:1 **(1)OF**
(accept 2.85 but not 2.8, 2.9 or 3, other correct OF calculations on same basis)

(ii) Current assets – stock / Current liabilities
(6 000 – 1 900) = 4 100 **(1)OF** / 2 100 **(1)OF** = 1.95:1 **(1)OF**
(*or* debtors 3 400 + bank 700 = 4 100 **(1)**)
(do not accept 1.9 or 2, accept other correct OF calculations on same basis)   [6]

(d)

current ratio	
quick ratio	√ **(2)**

[2]

[Total: 20]