



Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

ACCOUNTING

0452/13

Paper 1

October/November 2016

MARK SCHEME

Maximum Mark: 120

Published

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Glossary for Q1

- (c) A $+50 - 80 + 10 = \$20$ credit
 B $+50 - 80 - 10 = \$40$ credit
 C $+50 + 80 - 10 = \$120$ debit
 D $+50 + 80 + 10 = \$140$ debit
- (f) A $(60\,000 - 6\,000) \times \frac{1}{2} + 4\,000 - 18\,000 = \$13\,000$
 B $(60\,000 - 6\,000) \times \frac{1}{2} = \$27\,000$
 C $(60\,000 - 6\,000) \times \frac{1}{2} + 2\,000 = \$29\,000$
 D $(60\,000 - 6\,000) \times \frac{1}{2} + 4\,000 = \$31\,000$
- (g) A $85\,000 - 15\,000 - 10\,000 = \$60\,000$
 B $30\,000 + 85\,000 - 15\,000 - 10\,000 = \$90\,000$
 C $30\,000 + 85\,000 - 15\,000 = \$100\,000$
 D $30\,000 + 85\,000 - 10\,000 = \$105\,000$
- (i) A $6\,100/90\,000 \times 365 = 25$ days
 B $6\,100/84\,000 \times 365 = 27$ days
 C $7\,400/90\,000 \times 365 = 31$ days
 D $7\,400/84\,000 \times 365 = 33$ days

Mark scheme

- 1 (a) D
- (b) D
- (c) B
- (d) B
- (e) B
- (f) D
- (g) C
- (h) A
- (i) B
- (j) C

10 × (1) mark

[Total: 10]

- 2 (a) A decrease in a non-current asset account requires a **credit (1)** entry.
 An increase in a liability account requires a **credit (1)** entry.
 An increase in an expense account requires a **debit (1)** entry. [3]

- (b) Any reasonable example for (1) mark, e.g. bank overdraft, loan, trade payable [1]

(c)

debit entry	credit entry
income statement (1)	provision for depreciation (1)

[2]

- (d) to simplify information in the ledger
 to allow book-keeping duties to be shared
 to reduce the number of entries in the ledger
 as an aid for posting to the ledger
 to gather and summarise information
 to facilitate preparation of control accounts
 to group similar transactions together
 any one for (1) mark [1]

(e)

book of prime (original) entry	source document
cash book	cheque counterfoil/bank statement/till roll
petty cash book	receipt/voucher
sales journal	sales invoice
sales returns journal	credit note issued
purchases journal	purchase invoice
purchases returns journal	credit note received
general journal	invoice for non-current asset purchased on credit or other suitable document

Any **two** books for (1) mark each plus **two** related documents for (1) mark each. Allow other reasonable suggestions for document. [4]

- (f) A trading business buys and sells goods. (1) A service business provides a service instead. (1) A trading business produces a trading account (1) and a service business does not. (1) A trading business holds inventory. (1) A service business holds no inventory. (1)

[max 2 for each type of business]

[max 3]

(g)

	trading business only	service business only	both
cost of sales	√ (1)		
gross profit	√ (1)		
discount allowed			√ (1)
profit for the year			√ (1)

[4]

(h)

	principle
the same accounting treatment should be applied to similar items at all times	consistency (1)
transactions should be expressed in monetary terms	money measurement (1)
financial statements should assume that a business will continue to operate indefinitely	going concern (1)

[3]

[Total: 21]

3 (a) $(8 \times 1200) + (4 \times 1000) = \$13\,600$ (1) [1]

(b) one month's rent accrued/unpaid (1) [1]

(c)

Winston Rent account				Winston Rent account			
2015		\$		2015		\$	
Sept 4	Bank	6 000	}	Sept 1	Balance b/d	1 000	(1)
2016				2016			
Mar 1	Bank	7 400	}	Aug 31	Income statement	13 600	(1)
July 9	Bank	3 600	}		Balance c/d	2 400	
		<u>17 000</u>				<u>17 000</u>	
Sept 1	Balance b/d	2 400	(1of)				

+(1) for dates

[5]

(d)

Winston Sales ledger Jared account				Winston Sales ledger Jared account			
2016		\$		2016		\$	
Aug 1	Balance b/d	300	(1)	Aug 6	Sales returns	40	(1)
Aug 3	Sales	480	(1)	Aug 9	Bank	291	(1)
Aug 18	Sales	320	(1)		Discount allowed	9	(1)
		<u>1 100</u>		Aug 31	Balance c/d	760	
Sept 1	Balance b/d	760	(1of)			<u>1 100</u>	

+(1) for dates

[8]

(e)

account debited	account credited
Jared (purchases ledger account) (1)	Jared (sales ledger account) (1)

[2]

(f) work in progress (1)

[1]

(g)

	manufacturing account	income statement
purchases of raw materials	√	
salesman's wages		√
carriage outwards		√
purchases of finished goods		√
machine operator's wages	√	
factory supervisor's salary	√	
inventory of raw materials	√	
carriage inwards	√	
inventory of finished goods		√

Any **two** correct for (1) mark

[4]

[Total: 22]

- 4 (a) to access additional capital
for additional expertise/more ideas
to share responsibilities/cover sickness and holidays
to shares losses/risks

Any **one** reason for (1) mark

[1]

- (b) to avoid disagreements in the future

[1]

- (c) capital contribution by each partner
profit sharing ratio
interest on capital
interest on drawings
partners' salaries
interest on partners' loans
Any **two** for (1) mark each

[2]

(d)

debit entry	credit entry
Drawings Rajiv (1)	Bank (1)

[2]

(e)

debit entry	credit entry
Current account Rajiv (1)	Drawings Rajiv (1)

[2]

(f)

Friedrich and Graham
Trial Balance at 31 July 2016

	\$	\$	
Bank	4 800		
Cash	200		
Fees		81 000	(1)
Rent	12 000		}
Wages	6 800		} (1)
Administration costs	19 500		}
Drawings – Friedrich	25 000		}
– Graham	16 100		} (1)
Equipment	24 200		}
Provision for depreciation		6 500	} (1)
Trade receivables	17 400		}
Other payables		1 100	} (1)
Capital account – Friedrich		20 000	}
– Graham		15 000	} (1)
Current account – Friedrich	900		(1of)
– Graham		3 300	
	126 900	126 900	(1)

[8]

[Total: 16]

5 (a)

		Boris		Total trade receivables account				
		\$		2016		\$		
2015	Jul 1	Balance b/d	300	(1)	Jun 30	Bank/cash/cash book	6 800	(1)
2016	Jun 30	Sales	7 770	(1)		Bad debts	250	(1)
						Sales returns	480	(1)
						Balance c/d	540	(1of)
			<u>8 070</u>				<u>8 070</u>	
2016	Jul 1	Balance b/d	540					

[6]

(b)

		Boris		Total trade payables account				
		\$		2015		\$		
2016	Jun 30	Bank/cash/cash book	4 320	(1)	Jul 1	Balance b/d	710	(1)
		Discount received	210	(1of)	2016			
		Balance c/d	680	(1)	Jun 30	Purchases	4 500	(1)
			<u>5 210</u>				<u>5 210</u>	
					2016			
					Jul 1	Balance b/d	680	

[5]

(c)

		Boris		Statement of Financial Position at 30 June 2016			
		\$		\$		\$	
		Cost	Acc dep			NBV	
Non-current assets		<u>7 100</u>	<u>3 230</u>	(1)		<u>3 870</u>	(1of)
Current assets							
Inventory						700	(1)
Trade receivables						<u>540</u>	(1of)
						<u>1 240</u>	
Total assets						<u>5 110</u>	
Capital							
At 1 July 2015						5 010	(1)
Profit for the year						1 070	(1of)
Drawings						<u>(2 050)</u>	(1)
						<u>4 030</u>	(1of)
Current liabilities							
Trade payables						680	(1)
Other payables						100	(1)
Bank						<u>300</u>	(1)
						<u>1 080</u>	
Total liabilities						<u>5 110</u>	

[11]

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- (d) Drawings are high/too high (1)
 Drawings are almost twice profit (1)
 Drawings are about half the capital (1)
 Excessive drawings are causing a shortage of cash in the business (1)
 Funds should be left in the business so that it can function or grow (1)
 Profits need to be higher to finance the level of drawings (1)
 Drawings need to be lower to enable the business to continue/may have financial problems in the future (1)
Answers to be based on OF profit [max 2]

[Total: 24]

6 (a)

Chess Club
 Income Statement for the year ended 31 December 2015

	\$		\$
Shop sales			6 700 (1)
Inventory at 1 January 2015	580 *		
Purchases			
5700 (1) + 350 (1) – 170 (1)	5 880		
	6 460		
Inventory at 31 December 2015	310 * (1)	both	
Cost of sales			6 150
			550
Wages			1 200 (1)
Loss for the year			650 (1of)

[7]

(b)

Chess Club
 Income and Expenditure Account for the year ended 31 December 2015

	\$		\$
Subscriptions			
17 700 + 950 (1) – 550 (1)			18 100
Less expenditure			
Loss for the year	650 (1of)		
Depreciation of equipment (1)			
3100 + 3800 – 5150	1 750 (1)		
Rent	4 800 }		
Wages	8 400 } (1)		
Sundry expenses	4 300 }		
			19 900
Deficit			1 800 (1of)

[7]

(c) $\frac{550 \text{ (1of)}}{6150 \text{ (1of)}} \times \frac{100}{1} = 8.94\% \text{ (1of)}$ [3]

(d)

Chess Club			
Statement of revised profit			
	\$		\$
Revenue			8 610 (1of)
Cost of sales			<u>6 150 (1of)</u>
Gross profit			2 460 (1of)
Commission	1 722 (1of)		
Computer costs	<u>500 (1)</u>		
			<u>2 222</u>
Profit for the year			<u>238 (1of)</u>

OR

	\$		\$
Increase in revenue/gross profit	1 910 (1of)		
Original wages	<u>1 200 (1)</u>		3 110
Commission	1 722 (1of)		
Computer costs	500 (1)		
Less original loss	<u>650 (1of)</u>		<u>2 872</u>
Profit for the year			<u>238 (1of)</u>

[6]

- (e) Increase subscription rate
 Increase membership
 Increase selling price in shop
 Reduce cost of sales in shop
 Reduce expenses in shop
 Sell off unused equipment
 Obtain a loan
 Start fundraising
 Seek donations
 Sponsorship
 Or other acceptable suggestions
 Any **two** reasonable suggestions for (1) mark each [2]

- (f) Members have not invested capital in the organisation (1) and therefore cannot earn a return on their investment (1). Any surplus is retained in the organisation (1). [max 2]

[Total: 27]