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CAMBRIDGE INTERNATIONAL EXAMINATIONS

International General Certificate of Secondary Education

MARK SCHEME FOR the November 2002 question papers

0452 ACCOUNTING

0452/02 Paper 2, maximum raw mark 90

0452/03 Paper 3, maximum raw mark 100

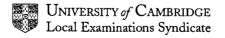
These mark schemes are published as an aid to teachers and students, to indicate the requirements of the examination. They show the basis on which Examiners were initially instructed to award marks. They do not indicate the details of the discussions that took place at an Examiners' meeting before marking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

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

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

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

CIE is publishing the mark schemes for the October/November 2002 question papers for most IGCSE, GCE Advanced Subsidiary (AS) and GCE Advanced (A) Level syllabuses.





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November 2002

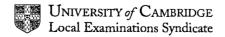
INTERNATIONAL GCSE

MARK SCHEME

MAXIMUM MARK: 90

SYLLABUS/COMPONENT: 0452/02

ACCOUNTING



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Question Number	Mark Scheme Details								amb	
1 (a)	Stock, debtors, prepayments, bank, cash						Any 1	x 1 mark	To	1
(b)	Business entity								ambridg	COM
(c)	 (i) Error of commission (ii) Debit note (iii) 1. Purchases Returns Journal 2. Sales Returns Journal 								1 1 1 1 1	
(d)	Lower of cost or net realisable value					. *			. 1	
(e) (f)	Profit and Loss Account 1. Capital (1) 2. Capital (1)								1	
	3. Revenue (1)								3.	
(g)	Balance 1/10/01 + Paid in year	\$ 2000 10000 12000	(1)							
	- Prepaid, ¼ x 10000 P/L A/c charge	2500 9500	- ` ´						4	
(h)	Incorrect entries of equal amount (1) wh may be given for suitable example	ich can	cel ea	ich oth	er out (1). Marks	S		2	
(i)	(i) C.B. balance - uncleared deposit Bank statement balance (ii) \$3200	\$ 3200 600 2600	(1)	CF					2 1	
e en									20	1

Page 2 of 5	Mark Scheme	Syllabus
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			·				3/4
Question Number	Mark S	cheme Details					Mbridge
2 (a) (i) <u>Sale</u>		<u>es</u>	\$	(ii) <u>P</u> u	<u>ırchases</u>	\$	06
` ´	.,	Recd. from debtors	50000 (1)		Paid to creditors	31000 (1)	
		Debtors 30/6/02	8000 (1)		Creditors 30/6/02	4000 (1)	
			58000 🛷			35000	1
	Less	Debtors 1/7/01	6000 (1)	<u>Less</u>	Creditors 1/7/01	3000° (1)	
			52000			32000 (1)	CF
		Cash sales	10000 (1)				
			62000 (1) C	F			9
(b)			<u>Mai F</u>	<u>[emme</u>			
, ,		Trading	account for the	vear en	ided 30 June 2002		
			\$		\$		
		Sales			62000	(1)	-
	Less	Cost of goods sold:	•	-			
	•	Stock 1/7/01	5000	(1)			
		Purchases	32000	(1)		*	
			37000				
		Stock 30/6/02	7000	(1)	30000	<u>) </u>	
		Gross profit			_32000	(1)	5
		OF			,		
(c)	COGS	= 30000 (1) =	5 times (1) OF				
	AS	6000 (1) CF					3
	-	CI					17

Additional Information for 2 (a)

T.D					T	.C	
1/7 Bal	6000	Bank	50000	Bank	31000	1/7 Bal	3000
Sales	52000	30/6 Bal	8000	Bal	4000	Bank	32000

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		20

Question Number	Mark Scheme Details	Andridge C
3(a)	(i) \$86000 (1) (ii) \$20000 (1) (iii) Assets (1) (iv) Drawings (1) (v) \$5500 (1)	Se Conn
(b)	(i) Current ratio : $\$ \frac{22000}{10000}$ (1) = 2.2 : 1 (1) CF $\$ \frac{10000}{10000}$	2
	(ii) Quick ratio : $$\frac{22000 - 16000}{10000}(1) = 0.6 : 1(1) \text{ CF}$	3
(c)	(i) \$ 22000 - 10000 (1) = 12000 (1) CF	2
	 (ii) If working capital inadequate, may result in: Loss of discounts for prompt payment Inability to pay creditors, wages, day-to-day expenses Interruption of supplies and production, leading to loss of sales Use of costly additional finance, e.g. overdraft Should include two of above or other acceptable and distinct points - 	
	2 marks for each 2 x 2	4
		16

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stion nber	Mark Scheme Details	-		· .			To
4(a)	Agreed percentage (1) of as	sset's value at begi	nning of	year w/off (1).	Depreciatio	n	10
	charges decrease (1)		P	any 2 from 3 ava	ilable mark	īs.	Abride 2
(b)		<u>Equir</u>	ment				
	1/0/01 70 1 1/1	\$	21 10 100	-		\$ '	
	1/9/01 Balance b/d 1/9/01 Bank	40000 30000 (1)	31/8/02	Balance c/d		90000 (1)	
	1/3/02 Bank	20000 (1)				'	
	•	90000				90000	
	1/9/02 Balance b/d	90000		,			
		Provision for depres	riation of	equipment			
		\$	ration of	<u> </u>		s	
	31/8/02 Balance c/d	23000(1)	1/9/01	Balance b/d		15000	
			31/8/02	Profit and Loss A			
	•			\$70000 @10% = \$20000 @ 10% x	7000 (2)		
				1/ ₂ =	1000 (3)	8000	
		23000				23000	
		;	1/9/02	Balance b/d		23000	. 9
	(Running balance format al	so accentable)				,	
(c)		tract from Balance	e Sheet :	as at 31/8/02			
	Fixed assets	Cost		cumulated	N.B	$_{\rm V}$	
				preciation	2.,2		
		\$		\$	\$		
	Equipment	90000(1)OF	23	000(1)OF	67000(1	3
				,	\	. , = =	-
(d)	Prudence is observed:						
	- by not oversta	ating profits, as de	preciatio	n shown as cost	and so give	es more	
	realistic profi						
	-	ng fall in asset valu	ies, as d	epreciation is de	ducted fron	asset to	
*		listic N.B.V (1)		•			2
		` ,					
1						İ	16

		Way.
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Question	Mark Scheme Details	5.
Number		700
5 (a)	(i) Brown and White Profit and Loss Account for the year ended 30 September 2002	bridge C
	S	
	(Vertical form acceptable)	10
	(ii) Appropriation Account for the year ended 30 September 2002 S Interest on capital: Brown 1500 (2) White 750 (2) 2250 Salary, White 4000 (1) Profit shares	
(b)	Brown ³ / ₅ 2250 (2) OF 1 each White ² / ₆ 1500 (2) 3750 10000 (vertical form acceptable) White may spend more time working in the business or may have additional	9
	responsibilities: recognised through salary	2
		21
		1