

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.



UNIVERSITY of CAMBRIDGE
Local Examinations Syndicate

November 2002

INTERNATIONAL GCSE

MARK SCHEME

MAXIMUM MARK : 90

SYLLABUS/COMPONENT : 0452/02

ACCOUNTING



Question Number	Mark Scheme Details																			
1 (a)	Stock, debtors, prepayments, bank, cash	Any 1 x 1 mark																		
(b)	Business entity	1																		
(c)	(i) Error of commission	1																		
	(ii) Debit note	1																		
	(iii) 1. Purchases Returns Journal	1																		
	2. Sales Returns Journal	1																		
(d)	Lower of cost or net realisable value	1																		
(e)	Profit and Loss Account	1																		
(f)	1. Capital (1)																			
	2. Capital (1)																			
	3. Revenue (1)	3																		
(g)	<table style="margin-left: 20px;"> <tr> <td></td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td>Balance 1/10/01</td> <td style="text-align: right;">2000</td> <td>(1)</td> </tr> <tr> <td>+ Paid in year</td> <td style="text-align: right;">10000</td> <td>(1)</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">12000</td> <td></td> </tr> <tr> <td>- Prepaid, $\frac{1}{4} \times 10000$</td> <td style="text-align: right;">2500</td> <td>(1)</td> </tr> <tr> <td>P/L A/c charge</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">9500</td> <td>(1)</td> </tr> </table>		\$		Balance 1/10/01	2000	(1)	+ Paid in year	10000	(1)		12000		- Prepaid, $\frac{1}{4} \times 10000$	2500	(1)	P/L A/c charge	9500	(1)	4
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(h)	Incorrect entries of equal amount (1) which cancel each other out (1). Marks may be given for suitable example	2																		
(i)	<table style="margin-left: 20px;"> <tr> <td></td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td>(i) C.B. balance</td> <td style="text-align: right;">3200</td> <td></td> </tr> <tr> <td>- uncleared deposit</td> <td style="text-align: right;">600</td> <td>(1)</td> </tr> <tr> <td>Bank statement balance</td> <td style="text-align: right; border-top: 1px solid black;">2600</td> <td>(1) CF</td> </tr> </table>		\$		(i) C.B. balance	3200		- uncleared deposit	600	(1)	Bank statement balance	2600	(1) CF	2						
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(ii)	\$3200	1																		
		20																		

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Question Number	Mark Scheme Details				
2 (a)	(i) <u>Sales</u>	\$		(ii) <u>Purchases</u>	\$
	Recd. from debtors	50000	(1)	Paid to creditors	31000 (1)
	Debtors 30/6/02	8000	(1)	Creditors 30/6/02	4000 (1)
		<u>58000</u>			<u>35000</u>
	<u>Less</u> Debtors 1/7/01	6000	(1)	<u>Less</u> Creditors 1/7/01	3000 (1)
		52000			<u>32000</u> (1) CF
	Cash sales	10000	(1)		
		<u>62000</u>	(1) CF		
					9
(b)	<u>Mai Hemme</u>				
	<u>Trading account for the year ended 30 June 2002</u>				
		\$		\$	
	Sales			62000	(1)
	<u>Less</u> Cost of goods sold:				
	Stock 1/7/01	5000	(1)		
	Purchases	32000	(1)		
		<u>37000</u>			
	Stock 30/6/02	7000	(1)	30000	
	Gross profit			<u>32000</u>	(1)
					5
(c)	<u>COGS</u>	=	<u>30000</u> (1)	=	5 times (1) OF
	<u>AS</u>		6000 (1) CF		
					3
					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

Question Number	Mark Scheme Details	
3(a)	(i) \$86000 (1) (ii) \$20000 (1) (iii) Assets (1) (iv) Drawings (1) (v) \$5500 (1)	5
(b)	(i) Current ratio : $\frac{\$ 22000}{\$ 10000} (1) = 2.2 : 1 (1) \text{ CF}$	2
	(ii) Quick ratio : $\frac{\$ 22000 - 16000}{10000} (1) = 0.6 : 1 (1) \text{ CF}$	3
(c)	(i) $\$ 22000 - 10000 (1) = 12000 (1) \text{ CF}$	2
	(ii) If working capital inadequate, may result in: <ul style="list-style-type: none"> • 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 <u>two</u> of above or other acceptable and distinct points - 2 marks for each 2 x 2	4
		16

Question Number	Mark Scheme Details																																																																																																																					
4(a)	Agreed percentage (1) of asset's value at beginning of year w/off (1). Depreciation charges decrease (1) Any 2 from 3 available marks.	2																																																																																																																				
(b)	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2"></th> <th colspan="2" style="text-align: center;"><u>Equipment</u></th> <th colspan="2"></th> </tr> <tr> <th colspan="2"></th> <th style="text-align: center;">\$</th> <th></th> <th style="text-align: center;">\$</th> <th></th> </tr> </thead> <tbody> <tr> <td>1/9/01</td> <td>Balance b/d</td> <td style="text-align: right;">40000</td> <td></td> <td>31/8/02</td> <td>Balance c/d</td> <td style="text-align: right;">90000 (1)</td> </tr> <tr> <td>1/9/01</td> <td>Bank</td> <td style="text-align: right;">30000 (1)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1/3/02</td> <td>Bank</td> <td style="text-align: right;">20000 (1)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">90000</td> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">90000</td> </tr> <tr> <td>1/9/02</td> <td>Balance b/d</td> <td style="text-align: right;">90000</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="6" style="text-align: center;"><u>Provision for depreciation of equipment</u></td> </tr> <tr> <td colspan="2"></td> <th style="text-align: center;">\$</th> <th></th> <th style="text-align: center;">\$</th> <th></th> <td></td> </tr> <tr> <td>31/8/02</td> <td>Balance c/d</td> <td style="text-align: right;">23000 (1)</td> <td></td> <td>1/9/01</td> <td>Balance b/d</td> <td style="text-align: right;">15000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>31/8/02</td> <td>Profit and Loss A/c:</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$70000 @ 10% =</td> <td style="text-align: right;">7000 (2)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$20000 @ 10% x</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">1/2 =</td> <td style="text-align: right;">1000 (3)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">23000</td> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">8000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">23000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>1/9/02</td> <td>Balance b/d</td> <td style="text-align: right;">23000</td> </tr> </tbody> </table>			<u>Equipment</u>						\$		\$		1/9/01	Balance b/d	40000		31/8/02	Balance c/d	90000 (1)	1/9/01	Bank	30000 (1)					1/3/02	Bank	20000 (1)							90000				90000	1/9/02	Balance b/d	90000					<u>Provision for depreciation of equipment</u>								\$		\$			31/8/02	Balance c/d	23000 (1)		1/9/01	Balance b/d	15000					31/8/02	Profit and Loss A/c:							\$70000 @ 10% =	7000 (2)						\$20000 @ 10% x							1/2 =	1000 (3)			23000				8000							23000					1/9/02	Balance b/d	23000	9
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