UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

# www.papacambridge.com MARK SCHEME for the October/November 2008 question paper

# 0452 ACCOUNTING

0452/03

Paper 3, maximum raw mark 100

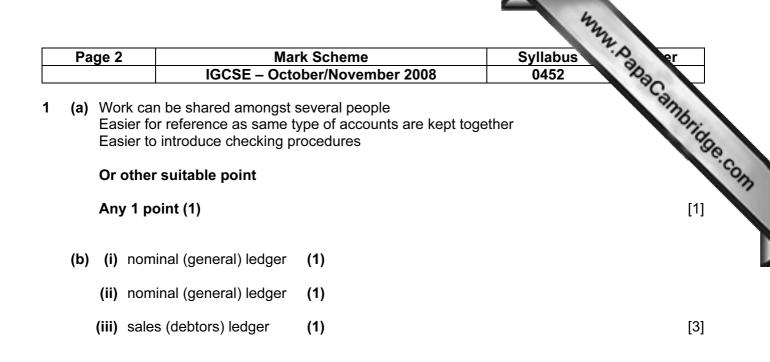
This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began.

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.

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CIE is publishing the mark schemes for the October/November 2008 question papers for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.



(c)

#### Paihia Traders account

2008 Aug 12 Purchases returns 18 Bank Discount received 31 Balance c/d	\$ 60 931 19 <u>210</u> <u>1220</u>	(1) (1) (1) (1) O/F	2008 Aug 1 3	Balance Purchases		\$ 950 270 <u>1220</u>	(1)
			2008 Sept 1	Balance	b/d	210	(1) O/F

#### Awanui Wholesalers account

2008 Aug 29 Bank	\$ 645 <b>(1)</b> <u>645</u>	2008 Aug 1 Balance 22 Interest payable	\$ 630 <u>15</u> (1) <u>645</u>
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+ (1) dates

[9]

age 3		ark Scheme		Syllabus Syllabus	er
	IGCSE – Oct	ober/November 2	2008	0452	2
ative	presentation				amp
		Paihia Traders ac	count		Tig
<b>[</b>				1	
		Debit	Credit	Syllabus 0452 Balance \$	
	)08 Jg. 1. Balance	\$	\$ 950	\$ 950 Cr	
Au	ug 1 Balance 3 Purchases		950 270 <b>(1)</b>	950 Cr 1220 Cr	
	12 Purchases returns	60 <b>(1)</b>	<u> </u>	1160 Cr	
	18 Bank	931 <b>(1)</b>		229 Cr 210 Cr (2) O/F	
	Discount received	19 <b>(1)</b>		210 Cr <b>(2) O/F</b>	
	A	wanui Wholesalers	s account		
0	200	Debit	Credit	Balance	
	)08 ug 1 Balance	\$	\$ 630	\$ 630 Cr	
	22 Interest		15 <b>(1)</b>	645 Cr	
	29 Bank	645 <b>(1)</b>		0	
+ (1	1) Dates				[9
<u>\$10</u>	yment period for creditors <u>) 500</u> × <u>365</u> <b>(1)</b> = 38.71 o 9 000 1	days = 39 days <b>(</b> 1	1)		[2
) 1	Not satisfied – if <b>(d)</b> is mo <b>Or</b> Satisfied – if <b>(d)</b> is less			(1)	
2	Paul is allowed 1 month's <b>Or suitable explanation</b>			(1)	[2
May	vantage y be able to take advantag prove the relationship with s		s		
	other suitable comment y one point (1)				[
	advantage e business is deprived of th	ie use of the mone	y earlier than n	necessary	
	other suitable comment				Γ.
An	y one point (1)				['

[Total: 19]

	ge 4	Mark Scheme		Syllabus	er
		IGCSE – October/Novem	ber 2008	0452	3
(a)	(ii) Cap	ital expenditure is money spent on a enue expenditure is money spend o ital receipts are amounts received f enue receipts are sales and other it profit and loss account. <b>(1)</b>	from the sale of	ving and installing fixed a iness on a day-to-day ba fixed assets <b>(1)</b> which are recorded in th	ISIS OTTO
(b)	unu	Michae Statement of corrected net profit for	0		[_]
			\$	\$	
	Net profi	t	Ψ	15 000	
		chase of motor vehicle (CD 357) mission received	8 000 <b>(1)</b> <u>    500</u> <b>(1)</b>	<u>8 500</u> 23 500	
		e of motor vehicle (AB 246)	2 000 <b>(1)</b>		
		chases of stationery d net profit	<u>200</u> (1)	<u>2 200</u> 21 300 <b>(1)</b>	
	Alternat	ive formats acceptable			[5]
(c)		ce the trial balance draft final accounts to be prepared			
	Any one	e point (1)			[1]

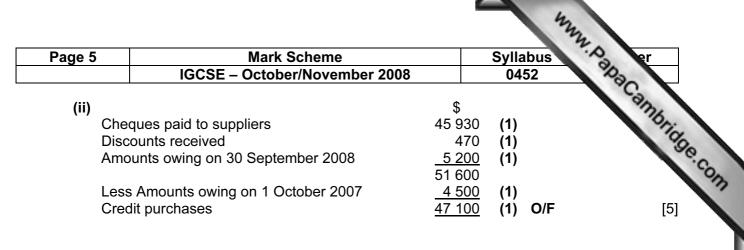
	account(s) to be debited	\$		account(s) to be credited	\$	
2	Suspense	400	(1)	Disposal of equipment	400	(1)
3	Suspense	200	(1)	Purchases	200	(1)
4	W Lee Bank/Cash/Cash book	50 50	(1) (1)	Bad debts Bad debts recovered	50 50	(1) (1)

[8]

3

[Total: 18]

3	(a) (i)		\$		
	.,,	Cheques received from customers	58 114	(1)	
		Discounts allowed	1 186	(1)	
		Bad debts written off	900	(1)	
		Amounts owing on 30 September 2008	4 800	(1)	
			65 000		
		Less Amounts owing on 1 October 2007	<u>5 000</u>	(1)	
		Credit sales	<u>60 000</u>	(1) O/F	[6]



#### Alternative presentation

1	1	۱
l	I	J

Total debtors account

2008 Sept 30 Sales	\$ b/d 5 000 * 60 000 <u>65 000</u>	(1) (1) O/F	2008 Sept 30 Bank Discount allowed Bad debts Balance c/d	\$ 58 114 1 186 900 <u>4 800</u> 65 000	(1) (1) (1) (1)
2008 Oct 1 Balance	<u>65 000</u> b/d 4 800			<u>65 000</u>	

#### Three column running balance account acceptable

(ii)

#### Total creditors account

2008	\$	2007	\$	
Sept 30 Bank Discount	45 930 <b>(1)</b>	Oct 1 Balance b/d 2008	4 500	(1)
received Balance c/d	470 <b>(1)</b> <u>5 200</u> <b>(1)</b>	Sept 30 Purchases	*47 100	(1) O/F
Dalarice C/u	<u>51 600</u>	0000	<u>51 600</u>	0/1
		2008 Oct 1 Balance b/d	5 200	

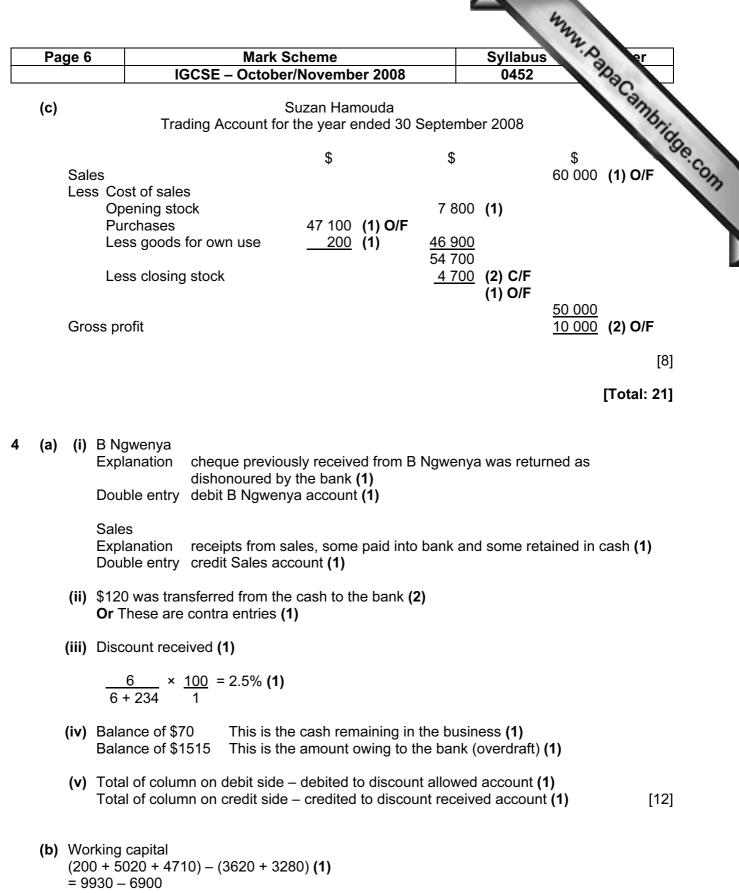
Three column running balance account acceptable

(b) Mark-up is when the gross profit is measured as a percentage of the cost price of the goods (1) Margin is when the gross profit is measured as a percentage of the selling price of the goods (1)

[2]

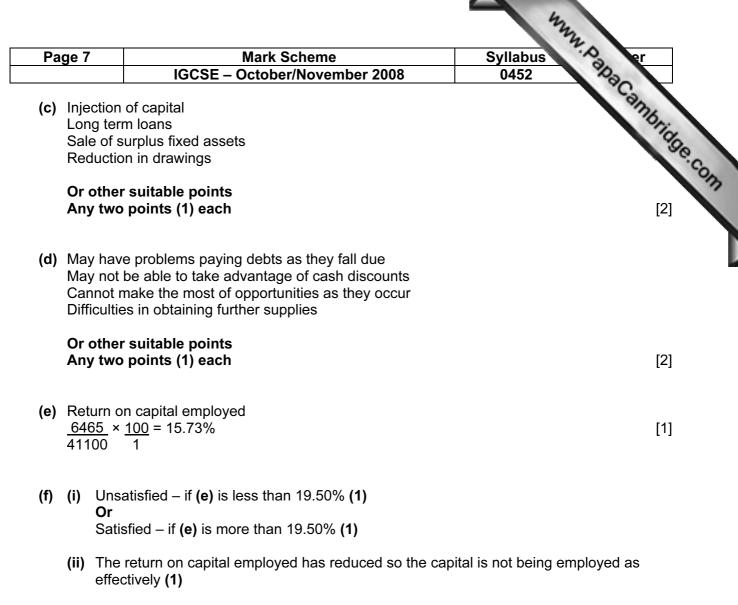
[5]

[6]



= 3030 (1)

[2]



Or suitable explanation based on O/F answer to (e)

[Total: 21]

[2]

	Page 8		Mark Scheme			llabus	Par er
		IGCSE –	October/Novemb	er 2008	0	0452	10an
5	(a)		Salim and Rit Balance Sheet at				A. Papacambridge.com
			\$	\$		\$	90
	Fixed as	sets					6
	Premises	s at cost				95 000	
		ent at book value					
		0 – 1500)				<u>   11 500</u> 106 500	(1) (1) O/F
	Current a	assets		0.000			
	Stock		0 000	8 200			
	Debtors		6 600				
	Less pro doubtful	ovision for	230	6 270	(4)		
		expenses	330	6 270 <u>430</u>			
	Fiepaiu v	expenses			(1) (1) O/F		
	Current li	liahilities			(1) 0/1		
	Creditors		6 800				
		expenses	620 (1	n			
	Bank		<u>2 900</u> (1	•	(1) O/F		
	Working	capital	<u> </u>	,	( )	4 580	(1) O/F
						<u>111 080</u>	. ,
			Salim	Rita		Total	
	Capital a		<u>40 000</u>	<u>60 000</u>		100 000	(1)
	Current a		2 400	C 100	(4)		
	Opening Shara of	•	3 400	6 100 7 750			
	Share of	profit	<u>7 750</u> 11 150	<u>7 750</u> 13 850	(1)		
	Less drav	winde	<u>7 700</u>	<u>6 220</u>	(1)		
	Ltoo uru	Wings	3 450	7 630	(י)	11 080	(1)
			0 100	1.000		<u>111 080</u>	(•)

## Horizontal presentation acceptable Calculation of current account balances outside balance sheet acceptable. [14]

### Capital accounts

	Salim	Rita			Salim	Rita
2008	\$	\$	2008		\$	\$
Aug 31 Balance c/d	64 000	64 000	Aug 1 Balances	(1)	40 000	60 000
			Current a/c	(1)		4 000
			31 Bank	(1)	24 000	
	64 000	64 000	2000		64 000	64 000
			2008 Sept 1 Balance b/d	(1) O/F	64 000	64 000
+ (1) dates						[5

Alternatively allow 2 separate "T" accounts

<sup>(</sup>b)

e 9		Mark Scheme		Syllabus
	IGCSE –	October/Novemb	er 2008	0452
Iternative i	oresentation			Syllabus 0452 Balance
		Salim Capita	laccount	
		Debit	Credit	Balance
2008		\$	\$	\$
Aug 1 Ba	lance		40 000	40 000 Cr
31 Ba	nk		24 000	64 000 Cr
		Rita Capital	account	
		Debit	Credit	Balance
2008		\$	\$	\$
Aug 1 Ba	lance		60 000	60 000 Cr
Aug i Da	rrent a/c		4 000	64 000 Cr

Opening balances (1) for both figures Salim amount introduced (1) Rita current account transfer (1) Closing balances (1) O/F for both figures

#### + (1) dates

(c) Advantage of maintaining separate current accounts Easier to see profit retained by each partner Easier to calculate interest on capital (if allowed)

Or other suitable point Any one point (2)

[Total: 21]

[5]

[2]