

**MARK SCHEME for the October/November 2010 question paper
for the guidance of teachers**

0452 ACCOUNTING

0452/12

Paper 1, maximum raw mark 120

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.

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 2010 question papers for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.

Page 2	Mark Scheme: Teachers' version	Syllabus
	IGCSE – October/November 2010	0452

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

[Total: 10]

- 2 (a) [Sales] invoice) but only 1 mark for "invoice"
 [Purchase] invoice)
 Credit note
 Debit note
 Cheque, receipt
 Petty cash voucher

NOT: statement, bank statement, cash book, journals, day books
 any two, 1 mark each [2]

(b)

	Income	Expense
Bad debt recovered	✓ (1)	
Interest charged to customers on overdue accounts	✓ (1)	
Discount allowed		✓ (1)

[3]

Page 3	Mark Scheme: Teachers' version	Syllabus
	IGCSE – October/November 2010	0452

(c)

Debit	Credit
✓ (1)	

(d) Reliability / reliable [1]

(e) Commission [1]

(f) A shareholder's liability for a company's debts is limited to the amount they have paid for their shares. [2]

Accept: shareholder's assets are not available to pay company debts/losses

(g) 50 dresses bought, 30 sold, 20 remaining
 Cost \$13.00, carriage inwards \$1.00 each, total \$14.00
 Net realisable value \$13.50

Value in balance sheet $20 (1) \times \$13.50 (1) = \$270 (1)$ [3]
Correct figures only, not OF total

(h) (i) $\$150.00 - \$80.50 = \$69.50 (2)$
 (ii) $\$80.50 (2)$ [4]

(i) Rate of stock turnover = Cost of goods sold / Average stock
 = $45\,000 (1) / (6000 + 9000) (1) / 2 (1)$
 = 6 times (1)OF [4]
 Or: = Average stock / Cost of goods sold $\times 365$
 = $((6000 + 9000) (1) / 2 (1)) / 45\,000 (1) \times 365$
 = 60.83 days (1)OF [4]
 Accept 61 or 60 days

Note: calculation mark may be awarded if "times" or "days" not stated but not if any other description shown e.g. %

[Total: 21]

3 (a) Items on bank statement not shown in cash book
 (accept individual items, bank charges, bank interest, etc.)
 Items in cash book not on bank statement
 (accept individual items, cheques not yet presented, etc.)
 Errors in cash book or made by bank (accept only one type of error)
 Dishonoured cheques
 any two, 2 marks each [4]

(b) Ottoman – Cash Book (bank columns)

Date	Detail	Dr \$	Date	Detail	Cr \$
Sept 30	Balance b/d	850.00 (1)	Sept 30	Bank charges	60.00 (1)
30	Rent	800.00 (2)	30	Balance c/d	1890.00 (2)
13	[Cash] sales (<i>not to correct error</i>)	<u>300.00</u> (2) <u>1950.00</u>		(<i>no aliens, may award if account reversed</i>)	<u>1950.00</u>

(Marks are for detail and amount, not date) Balance mark only for reversed cash book. [8]

(c) Ottoman
Bank Reconciliation Statement at 30 September 2010

Either:

	\$
Balance on updated cash book [at 30 September 2010] (<i>accept updated balance, balance b/d if agrees with (b)</i>)	1890.00 (2) OF (<i>must agree with (b) above</i>)
Add: cheques issued not yet paid (unpresented cheques)	250.00 (2)
Less: cheque paid in not yet credited by bank (<i>accept reasonable description</i>)	(480.00) (2)
<i>(marks are for description, amount and correct + or –)</i>	
Balance on bank statement [at 30 September 2010]	1660.00 (1) (<i>must be correct figure</i>)

[7]

Or:

	\$
Balance on bank statement [at 30 September 2010]	1660.00 (1) (<i>must be correct figure</i>)
Less: cheques issued not yet paid (unpresented cheques)	(250.00) (2)
Add: cheque paid in [not yet credited by bank] (<i>accept reasonable description</i>)	480.00 (2)
<i>(marks are for description, amount and correct + or –)</i>	
Balance on updated cash book [at 30 September 2010] (<i>accept updated balance, balance b/d if agrees with (b)</i>)	1890.00 (2) OF (<i>must agree with (b) above</i>)

[7]

Page 5	Mark Scheme: Teachers' version	Syllabus
	IGCSE – October/November 2010	0452

- (d) (i) Current assets (2)
accept current liabilities if overdrawn on OF
- (ii) \$1890 (2) **OF** from (b) above, not (c) if different

[Total: 23]

- 4 (a) To inform or remind the customer of the amount due
 To confirm the settlement terms
 To ensure that no errors have been made by customer or supplier
 Other relevant comment *any one* [2]
- (b) (i) Sam had taken 2% discount (\$8.00) [1]
accept any mention of discount taken, whether entitled or not
- (ii) No, not correct amount (1)
 Sam did not pay the amount due within the 21 days / time limit allowed to earn any discount (2) [3]
- (c) (i) Amount due \$265.00 (1) @ 2% (1) = \$5.30 (1) [3]
(correct figures only)
- (ii) Net amount due \$265.00 (1) – \$5.30 (1) = \$259.70 (1) [3]
(correct figures only)

(d) Sam Sumo account

September		\$	September		\$
1	Balance b/d	400.00 (1)	19	[Sales][returns in][Cr note 29]	16.50 (1)
7	[Sales][invoice][301]	56.50 (1)	28	Bank	392.00 (1)
12	[Sales][invoice][330]	217.00 (1)	30	Balance c/d	265.00 (1)
		<u>673.50</u>		<i>(OF if no aliens, may award) if account reversed)</i>	<u>673.50</u>

Sales account

September		\$	September		\$
			7	Sam Sumo	56.50 (1)
				<i>not invoice or total sales</i>	
			12	Sam Sumo	217.00 (1)
				<i>not invoice or total sales</i>	

Sales returns account

September		\$	September		\$
19	Sam Sumo	16.50 (1)			
	<i>not total sales returns</i>				

Page 6	Mark Scheme: Teachers' version	Syllabus
	IGCSE – October/November 2010	0452

Cash book – bank column

September	\$	September
28 Sam Sumo	392.00 (1)	

(Marks are for detail, correct amount and correct Dr or Cr) [10]

- (d) Pay balance within 21 days / by due date / within terms / on time [2]
(not pay more quickly, prompt payment, etc.)

[Total: 24]

- 5 (a) To spread the cost of the asset over its useful life [2]
(not to calculate profit or loss on sale etc.)
(not **causes** of depreciation, but accept depletion, wear and tear, obsolescence and usage over time as **reasons** for need to depreciate.)

- (b) (i) $\$3200 (1) - \$700 (1) = \$2500 / 5 (1) = \$500 (1)OF$
(Note: if answer then goes on to give NBV, do not award calculation mark, so max 3)

- (ii) Same amount – \$500 (2) [OF only if agrees with (b) (i)]
(if answer then goes on to give NBV, no marks) [6]

- (c) Martina
Balance Sheet at 30 September 2010 (extract)

	Cost	Provision for Depreciation	Net book value	
	\$	\$	\$	
Non-current (fixed) assets				
Equipment (machine) (1)	3 200 (1)	1 000 (1)	2 200 (1)OF	[4]
(no mark if other asset classes included)		(accept OF from (b))		

If answer laid out as two years separately, award only 1 mark for asset narrative and 1 mark for correct or OF final NBV

- (d) Disposal of machinery account

October	\$	October	\$
15 Machinery/equipment	3 200 (1)	15 [Provision for] Depreciation	1 000 (1)OF
(accept cost, not price, balance)		(OF from (c))	
		15 Bank/cash (not cash book)	400 (1)
		(not scrap/disposal)	
		15 Income statement	1 800 (2)OF
		(accept profit/loss acc, loss)	
	<u>3 200</u>		<u>3 200</u>

[5]

Page 7	Mark Scheme: Teachers' version	Syllabus
	IGCSE – October/November 2010	0452

- (e) Straight line [method] (1)
 over three years (33⅓%) (1),
 to fully depreciate over that period (1), or
- Reducing balance [method] (1) (not reducing method)
 at rate >75% (1)
 to fully depreciate over three years (1) [3]
- Revaluation [method] (1) only
- [Total: 20]**

6 (a) Ricardo – Statement of affairs at 1 November 2009

	\$	\$	
Non-current (fixed) assets		12 000	(1)
Current assets	110 000		(1)
Less: current liabilities	<u>26 000</u>		(1)
		84 000	
Capital (1)		<u>96 000</u>	(2)OF [6]

*(mark for caption and amount, marks for capital amount if no aliens)
 (award marks for acceptable layouts)*

(b) Ricardo – Statement of affairs at 31 October 2010

	\$	\$	
Non-current (fixed) assets		14 000	(1)
Current assets (95 500 (1) – 1 500 (1))		94 000	
<i>(Provision for doubtful debts may be shown elsewhere)</i>			
Less: current liabilities	<u>24 000</u>		(1)
		70 000	
Capital (1)		<u>84 000</u>	(1)OF [6]

*(mark for caption and amount, marks for capital amount if no aliens)
 (award marks for acceptable layouts)*

(c) Ricardo – capital account

	\$		\$
2010		2009	
Oct 31 Drawings	90 000 (1)	Nov 1 Balance b/fwd	96 000 (1)OF
31 Balance c/d	84 000 (1)OF	<i>(OF mark only if amount from (a))</i>	
		2010	
		Jan 1 Bank[new][capital][cash]	50 000 (1)
		<i>(not Ricardo)</i>	
		Oct 31 Net profit [or OF loss]	28 000 (1)OF
		<i>(no aliens for OF mark)</i>	
	<u>174 000</u>		<u>174 000</u>
		+(1) for all correct dates	

[6]

Mark is for detail and amount. If account reversed, award P/L OF mark only.

(d)

	Increase	Decrease	No change
Current assets	✓ (1)		
Long term liabilities	✓ (1)		
Revenue (sales)			✓ (1)
Working capital	✓ (1)		

[4]

[Total: 22]