UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

## www.papacambridge.com MARK SCHEME for the May/June 2010 question paper

## for the guidance of teachers

## 0452 ACCOUNTING

0452/21

Paper 21, 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.

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CIE is publishing the mark schemes for the May/June 2010 question papers for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.

U	2	Mark Scheme: Teachers' version	Syllabus	ð. 1
		IGCSE – May/June 2010	0452	Da
т. Т. О	o reduc o allow <b>r othe</b> i	ove small cash payments from the main cash boc ce the number of entries in the main cash book a v the chief cashier to delegate some of the work. r suitable reason. easons (1) each.	bk. and the expenses in the l	edge [2]
Â	t the er	ty cashier starts each period with the same amound of the period the chief cashier will make up the period the chief cashier will make up the prest amount <b>(1)</b> .		at it is equal [2]
TI	ne cas	ef cashier is aware of exactly how much is spent th remaining and the total of the vouchers rece amount.		equal to the
		r suitable advantage. dvantage (1).		[1]
<b>(d)</b> TI	ne pett	y cashier will receive \$88.		[1]
(e) (i	) Deb	it travelling expenses account with \$11.		[2]
(ii	•	oit N Jones account with \$21 <b>(2)</b> . oit W Smith account with \$18 <b>(2)</b> .		[4]

To spread the cost of fixed assets over their useful lives.
To apply the accruals principle – recognising the time difference between payment for the fixed asset and its loss in value.
To provide a more realistic view of the fixed assets.
To record the loss in value of fixed assets – the part of the cost of the fixed asset consumed during the period of use.

The annual depreciation charge represents the cost of using the fixed asset to earn revenue.

## Or other acceptable reason. Any 2 reasons (1).

[2]

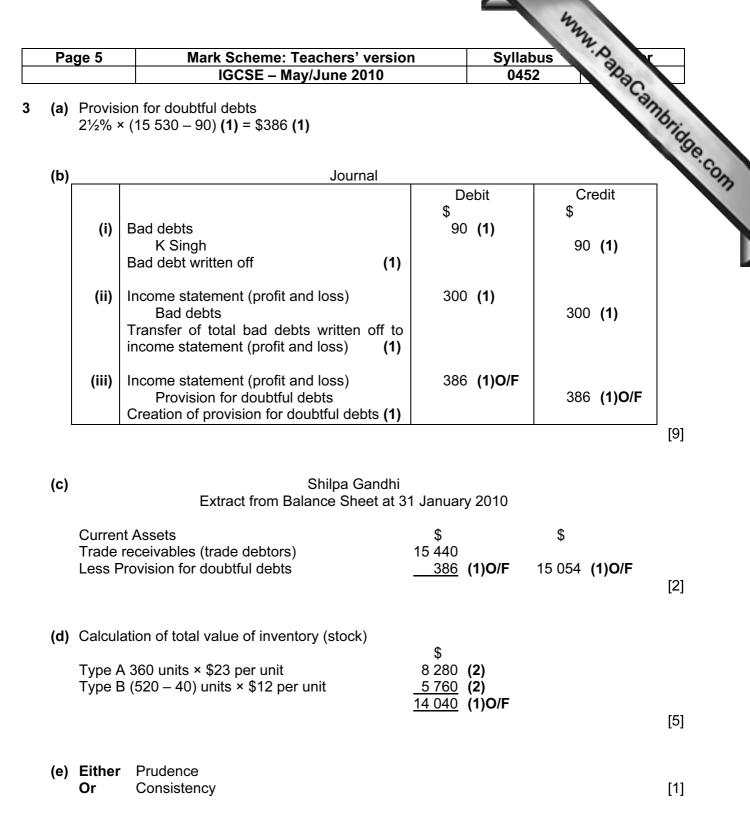
(g) Where a choice of method is available, the one with the most realistic outcome should be selected and used consistently from one accounting period to the next. [2]

Page 3	Mark Scheme: Teachers' version	Syl	labus	S.	Y.
	IGCSE – May/June 2010	0	452	Da.	
( <b>h) (i)</b> Str	aight line (equal instalment) method		\$		ambri
Co Les	st ss scrap value		8000 <u>500</u> 7500	MMN Papat	129
An	nual depreciation	<u>)</u> (1) = 5 (1)	\$2500		[3]
(ii) Re	ducing (diminishing) balance method				
Co	st		\$ 8000		
De	preciation for year ending 31 January 2011 (60% × 8	3000)	<u>4800</u> 3200	(1)	
De	preciation for year ending 31 January 2012 (60% × 3	3200)	<u>1920</u> 1280	(1)	
De	preciation for year ending 31 January 2013 (60% × 1	280)	768	(1)	
			512		[3]

[Total: 22]

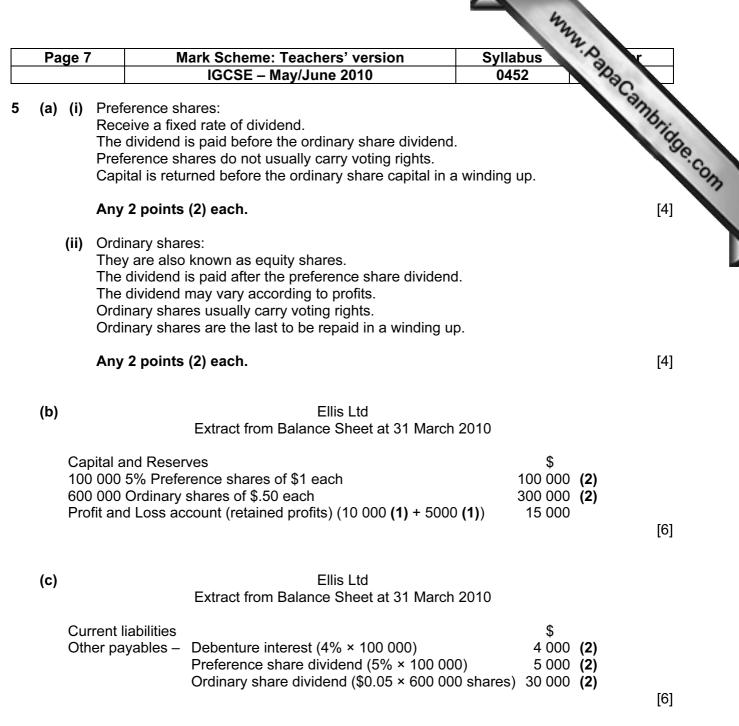
Page 4	Mark Scheme: Teachers' versi	ion	S	Syllabus	S. L
	IGCSE – May/June 2010			0452	Par
(a) To calcul financial	late how much it has cost the business year.	s to manufa	acture	the goods p	rodu rodu
It was ch	on did not meet demand. eaper to buy the goods rather than make articular items could not be made by the				
	suitable reason. asons (1) each.				[2]
(c)					
	Manufacturing Account for the yea	ar ended 30 \$	) Aprii	2010 \$	
	inventory (stock) of raw materials es of raw materials	33 400 <u>408 160</u>	• •	441 560	
Less Clo	sing inventory (stock) of raw materials			<u>35 230</u> 406 330	(1)
Prime co				<u>325 270</u> 731 600	
Indirect fa	overheads actory wages (130 200 + 1520) general expenses (198 280 – 400)	131 720 197 880	• •		
Deprecia	tion factory machinery 000 + 19 500 – 150 000)	31 500	. ,	<u>361 100</u>	
Add Ope	ning work in progress			1 092 700 <u>14 200</u> 1 106 900	
Less Clo	sing work in progress			13 900	
Cost of p	roduction			<u>1 093 000</u>	(1)U/F

[Total: 17]



[Total: 19]

			4333 A	
 Pa	ge 6	j	Mark Scheme: Teachers' version Syllabus IGCSE – May/June 2010 0452	
 (a)	(i)	Mar	k-up is the gross profit measured as a percentage of the cost price.	Can
•	(ii)		gin is the gross profit measured as a percentage of the selling price.	Cambridge.co
(b)	(i)		t of sales = (25 200 + 347 200) – 28 000 = 344 400 <b>(1)</b> as profit = 430 500 – 344 400 = 86 100 <b>(1)</b>	
		Perc	entage profit mark-up = $\frac{86100}{344400}$ <b>O/F</b> × $\frac{100}{1}$ (1) <b>O/F</b> = 25% (1) <b>O/F</b>	[4]
	(ii)		s = 430 500 ss profit = 86 100	
		Perc	entage profit margin = $\frac{86100}{430500} \frac{\text{O/F}}{\text{O/F}} \times \frac{100}{1}$ (1)O/Fs = 20% (1)O/F	[2]
(c)	Obt	ain c	selling prices. neaper supplies. mix of sales.	
			acceptable point. bints (1) each.	[2]
(d)			assets = 28 000 + 36 300 + 100 = 64 400 } iabilities = 29 600 + 13 200 = 42 800 } (1)	
	Cur	rent ı	atio = 64 400 : 42 800 (1) = 1.50 : 1 (1)	[3]
(e)			sets = 36 300 + 100 = 36 400 } iabilities = 29 600 + 13 200 = 42 800 } (1)	
	Qui	ck ra	tio = 36 400 : 42 800 (1) = 0.85 : 1 (1)	[3]
(f)			to be based on O/Fs in (e). fied (1)	
			te liabilities cannot now be met out of liquid assets without selling stock <b>(2)</b> . <b>suitable comment.</b>	[3]
(g)	(ii)	No e	effect (1)	
	(iii)	Dec	rease (1)	[2]
			נז	Fotal: 21]



[Total: 20]

