

Cambridge IGCSE™

ACCOUNTING**0452/23**

Paper 2

May/June 2024**MARK SCHEME**Maximum Mark: 100

Published

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 should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

This document consists of **18** printed pages.

PUBLISHED**Generic Marking Principles**

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

PUBLISHED**Social Science-Specific Marking Principles
(for point-based marking)****1 Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- a** DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- b** DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- c** DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons ...).
- d** DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- e** DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
- f** DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
- g** DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion).

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer.
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Question	Answer	Marks												
1(a)	(\$21 +\$47 + \$44) (1) – \$15(1) = \$97 (1)OF	3												
1(b)(i)	cash book (1) sales journal (1) sales returns journal (1) purchases journal (1) purchases returns journal (1) journal / general journal (1) Max (1)	1												
1(b)(ii)	Useful for preparing control accounts (1) Assist in collating and summarising accounting information (1) Remove detail from the ledgers (1) Bookkeeping can be divided among several people (1) Accept other valid points Max (2)	2												
1(c)(i)	Depreciation for the year ended 30 April 2022 12 000 × 25% 3 000 } Depreciation for the year ended 30 April 2023 (12 000 – 3 000) 9 000 × 25% 2 250 }(1) Accumulated depreciation at 30 April 2024 5 250 (1)OF	2												
1(c)(ii)	Lottie Disposal of motor vehicle account <table><tr><td>Date 2024 Apr 30</td><td>Details Motor vehicles (1)</td><td>\$ 12 000</td><td>Date 2024 Apr 30</td><td>Details Provision for depreciation (1)OF Y Limited (1) Income statement (1)OF</td><td>\$ 5 250 6 000 <u>750</u> <u>12 000</u></td></tr><tr><td></td><td></td><td><u>12 000</u></td><td></td><td></td><td></td></tr></table> Ignore dates	Date 2024 Apr 30	Details Motor vehicles (1)	\$ 12 000	Date 2024 Apr 30	Details Provision for depreciation (1)OF Y Limited (1) Income statement (1)OF	\$ 5 250 6 000 <u>750</u> <u>12 000</u>			<u>12 000</u>				4
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		<u>12 000</u>												

Question	Answer					Marks																									
1(d)	<table><tr><td>Item</td><td>Valuation per unit \$</td><td>Number of items</td><td colspan="2">Total valuation \$</td></tr><tr><td>A</td><td>(14 + 1 =) 15</td><td>60</td><td colspan="2">900 (1)</td></tr><tr><td>B</td><td>17</td><td>85</td><td colspan="2">1 445 (1)</td></tr><tr><td>C</td><td>22</td><td>30</td><td colspan="2">660 (1)</td></tr><tr><td></td><td></td><td></td><td colspan="2">3 005 (1)OF</td></tr></table>					Item	Valuation per unit \$	Number of items	Total valuation \$		A	(14 + 1 =) 15	60	900 (1)		B	17	85	1 445 (1)		C	22	30	660 (1)					3 005 (1)OF		4
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	C	22	30	660 (1)																											
			3 005 (1)OF																												
1(e)	Lottie Insurance account <table><tr><td>Date 2023 May 1 Aug 1</td><td>Details Balance b/d } Bank } (1)</td><td>\$ 60 <u>360</u> <u>420</u></td><td>Date 2024 Apr 30</td><td>Details Income statement (1) Balance c/d</td><td>\$ 360 <u>60</u> <u>420</u></td></tr><tr><td>2024 May 1</td><td>Balance b/d (1)OF</td><td>60</td><td></td><td></td><td></td></tr></table>					Date 2023 May 1 Aug 1	Details Balance b/d } Bank } (1)	\$ 60 <u>360</u> <u>420</u>	Date 2024 Apr 30	Details Income statement (1) Balance c/d	\$ 360 <u>60</u> <u>420</u>	2024 May 1	Balance b/d (1)OF	60				4													
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Question	Answer	Marks																																																																																								
2(a)	Toyah Manufacturing Account for the year ended 31 January 2024 <table><thead><tr><th></th><th>\$</th><th>\$</th><th></th></tr></thead><tbody><tr><td>Cost of material consumed</td><td></td><td></td><td></td></tr><tr><td>Opening inventory of raw material</td><td></td><td>12 400</td><td></td></tr><tr><td>Purchases of raw material</td><td></td><td>143 000</td><td></td></tr><tr><td></td><td></td><td><u>155 400</u></td><td></td></tr><tr><td>Less Closing inventory of raw material</td><td></td><td>11 205</td><td></td></tr><tr><td></td><td></td><td><u>144 195</u></td><td>(1)</td></tr><tr><td>Direct wages</td><td></td><td>51 000</td><td>(1)</td></tr><tr><td>Prime cost</td><td></td><td><u>195 195</u></td><td>(1)OF</td></tr><tr><td>Factory overheads</td><td></td><td></td><td></td></tr><tr><td>Wages of factory supervisor</td><td>19 000</td><td></td><td></td></tr><tr><td>Factory electricity</td><td>16 000</td><td></td><td></td></tr><tr><td>Rates and insurance (16 200 × 2/3)</td><td>10 800</td><td>(1)</td><td></td></tr><tr><td>General factory expenses (6 155 + 235)</td><td>6 390</td><td>(1)</td><td></td></tr><tr><td>Depreciation of factory machinery</td><td></td><td></td><td></td></tr><tr><td>(120 000 – 52 500) × 25%</td><td><u>16 875</u></td><td>(1)</td><td></td></tr><tr><td></td><td></td><td><u>69 065</u></td><td></td></tr><tr><td></td><td></td><td>264 260</td><td>(1)OF</td></tr><tr><td>Add Opening work-in-progress</td><td></td><td>16 970</td><td>*</td></tr><tr><td></td><td></td><td><u>281 230</u></td><td></td></tr><tr><td>Less Closing work-in-progress</td><td></td><td>17 682</td><td>*(1) for both</td></tr><tr><td>Cost of production</td><td></td><td><u>263 548</u></td><td>(1)OF</td></tr></tbody></table>		\$	\$		Cost of material consumed				Opening inventory of raw material		12 400		Purchases of raw material		143 000				<u>155 400</u>		Less Closing inventory of raw material		11 205				<u>144 195</u>	(1)	Direct wages		51 000	(1)	Prime cost		<u>195 195</u>	(1)OF	Factory overheads				Wages of factory supervisor	19 000			Factory electricity	16 000			Rates and insurance (16 200 × 2/3)	10 800	(1)		General factory expenses (6 155 + 235)	6 390	(1)		Depreciation of factory machinery				(120 000 – 52 500) × 25%	<u>16 875</u>	(1)				<u>69 065</u>				264 260	(1)OF	Add Opening work-in-progress		16 970	*			<u>281 230</u>		Less Closing work-in-progress		17 682	*(1) for both	Cost of production		<u>263 548</u>	(1)OF	9
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Question	Answer	Marks																																								
2(b)	Toyah Income statement (trading section) for the year ended 31 January 2024 <table><tr><td></td><td>\$</td><td></td><td>\$</td><td></td></tr><tr><td>Revenue</td><td></td><td></td><td>390 100</td><td>(1)</td></tr><tr><td>Cost of sales</td><td></td><td></td><td></td><td></td></tr><tr><td>Opening inventory</td><td>14 825</td><td>*</td><td></td><td></td></tr><tr><td>Cost of production</td><td>263 548</td><td>(1)OF</td><td></td><td></td></tr><tr><td></td><td>278 373</td><td></td><td></td><td></td></tr><tr><td>Closing inventory</td><td>13 480</td><td>*(1) for both</td><td>264 893</td><td>(1)OF</td></tr><tr><td>Gross profit</td><td></td><td></td><td>125 207</td><td>(1)OF</td></tr></table>		\$		\$		Revenue			390 100	(1)	Cost of sales					Opening inventory	14 825	*			Cost of production	263 548	(1)OF				278 373				Closing inventory	13 480	*(1) for both	264 893	(1)OF	Gross profit			125 207	(1)OF	5
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2(c)	$\frac{\\$263\,548}{6\,936} \text{ OF} = \\$38 \text{ (1)OF per dolls' house (rounded up to nearest dollar)}$	1																																								
2(d)	For: Sales of discounted inventory should be profitable / make a profit / increase profit margin (1) Selling extra inventory may increase total sales / more customers / more revenue (1) Completed inventory may be turned into cash quickly (1) Her own inventory of finished goods has decreased so there may be scope for her to sell additional inventory (1) Accept other valid points Max (2) Against: Does not have enough money to buy the inventory (1) If have to borrow money will incur interest charges (1) It may incur extra storage costs (1) May not be able to sell the inventory if unpopular / inferior quality (1) May increase selling costs (1) Accept other valid points Max (2) Recommendation (1)	5																																								

Question	Answer	Marks																
3(a)(i)	Bank statement (1)	1																
3(a)(ii)	Error 4 (1)	1																
3(b)	Akil Journal <table><tr><th>Error number</th><th>Details</th><th>Debit \$</th><th>Credit \$</th></tr><tr><td>1</td><td>Sales returns Sales</td><td>3 416 (1)</td><td>3 416 (1)</td></tr><tr><td>2</td><td>Insurance (115 × 2) Suspense</td><td>230 (1)</td><td>230 (1)</td></tr><tr><td>3</td><td>Discount received Discount allowed Suspense</td><td>47 (1) 47 (1)</td><td>94 (1)</td></tr></table>	Error number	Details	Debit \$	Credit \$	1	Sales returns Sales	3 416 (1)	3 416 (1)	2	Insurance (115 × 2) Suspense	230 (1)	230 (1)	3	Discount received Discount allowed Suspense	47 (1) 47 (1)	94 (1)	7
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3(c)(i)	Shows that all the errors have not yet been found/corrected (1)	1																

Question	Answer	Marks																																										
3(c)(ii)	Akil Suspense account <table><tr><td>Date 2024 Feb 29</td><td>Details</td><td>\$</td><td>Date 2024 Feb 29</td><td>Details</td><td>\$</td></tr><tr><td></td><td>Difference on Trial balance (1)</td><td>385</td><td></td><td>Insurance (1)</td><td>230</td></tr><tr><td></td><td>Purchases (1)</td><td>90</td><td></td><td>Discount received } (1)</td><td>47</td></tr><tr><td></td><td></td><td></td><td></td><td>Discount allowed }</td><td>47</td></tr><tr><td></td><td></td><td></td><td></td><td>Balance c/d</td><td><u>151</u></td></tr><tr><td></td><td></td><td><u>475</u></td><td></td><td></td><td><u>475</u></td></tr><tr><td>March 1</td><td>Balance b/d (1)OF</td><td>151</td><td></td><td></td><td></td></tr></table> Ignore dates	Date 2024 Feb 29	Details	\$	Date 2024 Feb 29	Details	\$		Difference on Trial balance (1)	385		Insurance (1)	230		Purchases (1)	90		Discount received } (1)	47					Discount allowed }	47					Balance c/d	<u>151</u>			<u>475</u>			<u>475</u>	March 1	Balance b/d (1)OF	151				5
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3(d)	<table><tr><td></td><td>\$</td><td>\$</td><td>\$</td></tr><tr><td></td><td>Plus</td><td>Minus</td><td></td></tr><tr><td>Original draft profit</td><td></td><td></td><td>17 420</td></tr><tr><td>Error 4</td><td>52 (1)</td><td></td><td></td></tr><tr><td>Error 5</td><td>90 (1)</td><td></td><td></td></tr><tr><td>Error 2</td><td></td><td>230 (1)</td><td></td></tr><tr><td>Error 3</td><td></td><td>94 (1)</td><td></td></tr><tr><td></td><td><u>142</u></td><td><u>324</u></td><td><u>(182)</u></td></tr><tr><td>Draft profit after corrections</td><td></td><td></td><td><u>17 238 (1)OF</u></td></tr></table>		\$	\$	\$		Plus	Minus		Original draft profit			17 420	Error 4	52 (1)			Error 5	90 (1)			Error 2		230 (1)		Error 3		94 (1)			<u>142</u>	<u>324</u>	<u>(182)</u>	Draft profit after corrections			<u>17 238 (1)OF</u>	5						
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4(a)	Tadeen and Yadid Income Statement for the year ended 30 April 2024 <table><tr><td></td><td>\$</td><td>\$</td></tr><tr><td>Revenue</td><td></td><td>236 350</td></tr><tr><td>Expenses</td><td></td><td></td></tr><tr><td>Salaries (79 800 + 1 800)</td><td>81 600 (1)</td><td></td></tr><tr><td>Rates and insurance (17 320 – (10/12 × 1 920)=1 600)</td><td>15 720 (2) / (1)OF</td><td></td></tr><tr><td>Advertising</td><td>16 730 }</td><td></td></tr><tr><td>Office expenses</td><td>6 150 }(1)</td><td></td></tr><tr><td>Depreciation of fittings and equipment (15% × 70 000)</td><td>10 500 (1)</td><td></td></tr><tr><td>Irrecoverable receivables</td><td><u>670 (1)</u></td><td><u>131 370</u></td></tr><tr><td>Profit from operations</td><td></td><td>104 980</td></tr><tr><td>Loan interest</td><td></td><td><u>1 200 (1)</u></td></tr><tr><td>Profit for the year</td><td></td><td><u>103 780 (1)OF</u></td></tr></table>		\$	\$	Revenue		236 350	Expenses			Salaries (79 800 + 1 800)	81 600 (1)		Rates and insurance (17 320 – (10/12 × 1 920)=1 600)	15 720 (2) / (1)OF		Advertising	16 730 }		Office expenses	6 150 }(1)		Depreciation of fittings and equipment (15% × 70 000)	10 500 (1)		Irrecoverable receivables	<u>670 (1)</u>	<u>131 370</u>	Profit from operations		104 980	Loan interest		<u>1 200 (1)</u>	Profit for the year		<u>103 780 (1)OF</u>	8
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4(b)	Tadeen and Yadid Appropriation account for the year ended 30 April 2024 <table><tr><td></td><td></td><td>\$</td><td></td><td>\$</td><td></td></tr><tr><td>Profit for the year</td><td></td><td></td><td></td><td>103 780</td><td>OF</td></tr><tr><td>Add interest on drawings</td><td>Tadeen</td><td>1 715</td><td>}</td><td></td><td></td></tr><tr><td></td><td>Yadid</td><td><u>2 325</u></td><td>}(1)</td><td><u>4 040</u></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td>107 820</td><td></td></tr><tr><td>Less</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Interest on capital</td><td>Tadeen</td><td>3 750</td><td>}</td><td></td><td></td></tr><tr><td></td><td>Yadid</td><td><u>2 550</u></td><td>}(1)</td><td></td><td></td></tr><tr><td></td><td></td><td>6 300</td><td></td><td></td><td></td></tr><tr><td>Salary Yadid</td><td></td><td><u>10 000</u></td><td>(1)</td><td><u>16 300</u></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td>91 520</td><td></td></tr><tr><td>Profit share</td><td>Tadeen</td><td>54 912</td><td>(1) OF</td><td></td><td></td></tr><tr><td></td><td>Yadid</td><td><u>36 608</u></td><td>(1) OF</td><td><u>91 520</u></td><td></td></tr></table>			\$		\$		Profit for the year				103 780	OF	Add interest on drawings	Tadeen	1 715	}				Yadid	<u>2 325</u>	}(1)	<u>4 040</u>						107 820		Less						Interest on capital	Tadeen	3 750	}				Yadid	<u>2 550</u>	}(1)					6 300				Salary Yadid		<u>10 000</u>	(1)	<u>16 300</u>						91 520		Profit share	Tadeen	54 912	(1) OF				Yadid	<u>36 608</u>	(1) OF	<u>91 520</u>		5
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4(c)(i)	To avoid a debit balance on their current account (1) To keep cash in the business / to benefit the business / less profits / making loss (1) To reduce interest charged on drawings (1) Accept other valid points Max (1)	1																																																																														
4(c)(ii)	Going concern (1)	1																																																																														

Question	Answer	Marks
4(d)	For The business will benefit from the skills and experience of Raim (1) Raim may contribute towards increased revenue and profit / attract more customers (1) Raim would share workload (1) Raim would share the risks / responsibilities / losses (1) They could require Raim to introduce capital (1) They may need to spend less on advertising as Raim is well known in the area (1) Accept other valid points Max (3) Against The profits would need to be shared with Raim (1) Raim's profit share would be greater than an employee's salary (1) Raim's profit share will significantly reduce the profit available for the existing partners (1) They would need to take account of Raim's views / there may be disagreements (1) They would be liable for the actions of Raim (1) Accept other valid points Max (3) Max (4) Recommendation (1)	5

Question	Answer	Marks
5(a)	Gross margin: Cost of sales $5\,200 + 51\,300 - 6\,500 = 50\,000$ Gross profit $97\,000 - 50\,000 = 47\,000$ Gross margin = $\frac{47\,000 \text{ (1)}}{97\,000} \times \frac{100}{1} = 48.45\% \text{ (1)}$ Profit margin: Profit $47\,000 \text{ OF} - 23\,750 = 23\,250$ Profit margin = $\frac{23\,250 \text{ (1) OF}}{97\,000 \text{ CF}} \times \frac{100}{1} = 23.97\% \text{ (1)OF}$ Inventory turnover: $\frac{50\,000 \text{ (1) OF}}{(5\,200 + 6\,500) / 2 = 5850 \text{ (1)}} = 8.55 \text{ times (1)OF}$ Trade receivables turnover $\frac{9\,550}{86\,400} \times \frac{365 \text{ (1)}}{1} \text{ whole formula} = 41 \text{ days (1)OF}$ Liquid (acid test) ratio $(9\,550 + 1\,200) : 6\,000 \text{ (1) whole formula} = 1.79:1 \text{ (1)OF}$	11

Question	Answer	Marks
5(b)(i)	His purchase price has fallen / he has been allowed trade discount (1) His sales mix has changed (1) Max (1)	1
5(b)(ii)	Whether Ajay will be able to continue in business/continue being able to supply them (1)	1

Question	Answer	Marks
5(c)	Advantages Should increase sales / attract new customers (1) May increase profit for the year (1) Should increase rate of inventory turnover (1) Reduces risk of inventory deteriorating / becoming damaged / obsolete (1) Reduces cost of holding inventory (storage, insurance) (1) May improve his reputation (1) Accept other valid points Max (3) Disadvantages Would reduce gross margin / gross profit / profit for the year / profit margins / may make a loss (1) Less money coming in from each unit sold / liquidity reduced (1) Customers may question the quality of the goods / it may damage his reputation (1) Customers may be unwilling to pay the full price in future (1) It may be better to offer cash discount to reduce trade receivables (1) Accept other valid points Max (3) Max (4) Recommendation (1)	5

Question	Answer	Marks
5(d)	May result in loss if expenses continue to increase (1) He may not be able to pay expenses / suppliers / wages if they continue to increase (1) The business cannot continue indefinitely if this trend continues (1) Accept other valid points Max (2)	2