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Cambridge International General Certificate of Secondary Education

ACCOUNTING

0452/22

Paper 2

October/November 2017

MARK SCHEME

Maximum Mark: 120

Published

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This document consists of **12** printed pages.



Cambridge Assessment
International Education

Question	Answer							Marks					
1(a)(i)	Saffie Petty Cash Book							9					
	Total received \$ 63 87 150 23	Date 2017 Sept 1 3 11 21 30 2017 Oct 1	Details Balance b/d Bank (1) Taxi fare (1) Stationery (1) Faariqa (1) Postage (1) Balance c/d Balance b/d (1)OF	Total paid \$ 12 64 29 22 127 23 150	Travel \$ 12 12	Postage & stationery \$ 64 22 86	Ledger accounts \$ 29 29						
	+ (1) dates + (1)OF totalling analysis columns + (1)OF totalling total columns												

Question	Answer										Marks
1(a)(ii)	Saffie Cash Book										10
	Date	Details	Discount allowed	Cash	Bank	Date	Details	Discount received	Cash	Bank	
	2017 Sept 1	Balance b/d	\$	\$ 120	\$	2017 Sept 1	Balance b/d	\$	\$	\$ 3 841	
	26	Thushari (1)	8		392		Petty cash				

Question	Answer	Marks																																																																																
1(b)	Saffie Bank Reconciliation Statement at 30 September 2017 <table><tr><td></td><td>\$</td><td></td><td>\$</td><td></td></tr><tr><td>Balance shown on bank statement</td><td></td><td></td><td>(4 649)</td><td>(1)</td></tr><tr><td>Add Cheque not credited – Thushari</td><td>392</td><td>(1)OF</td><td></td><td></td></tr><tr><td>Amount not credited – cash sales</td><td>4 800</td><td>(1)</td><td></td><td></td></tr><tr><td>Bank error</td><td><u>50</u></td><td>(1)</td><td><u>5 242</u></td><td></td></tr><tr><td></td><td></td><td></td><td>593</td><td></td></tr><tr><td>Less Cheque not presented – Sopitha</td><td></td><td></td><td><u>468</u></td><td>(1)OF</td></tr><tr><td>Balance shown in cash book</td><td></td><td></td><td><u>125</u></td><td>(1)OF</td></tr></table> Alternative presentation Bank Reconciliation Statement at 30 September 2017 <table><tr><td></td><td>\$</td><td></td><td>\$</td><td></td></tr><tr><td>Balance shown in cash book</td><td></td><td></td><td>125</td><td>(1)OF</td></tr><tr><td>Add Cheque not presented – Sopitha</td><td></td><td></td><td><u>468</u></td><td>(1)OF</td></tr><tr><td></td><td></td><td></td><td>593</td><td></td></tr><tr><td>Less Cheque not credited – Thushari</td><td>392</td><td>(1)OF</td><td></td><td></td></tr><tr><td>Amount not credited – cash sales</td><td>4 800</td><td>(1)</td><td></td><td></td></tr><tr><td>Bank error</td><td><u>50</u></td><td>(1)</td><td><u>5 242</u></td><td></td></tr><tr><td>Balance shown on bank statement</td><td></td><td></td><td><u>(4 649)</u></td><td>(1)</td></tr></table>		\$		\$		Balance shown on bank statement			(4 649)	(1)	Add Cheque not credited – Thushari	392	(1)OF			Amount not credited – cash sales	4 800	(1)			Bank error	<u>50</u>	(1)	<u>5 242</u>					593		Less Cheque not presented – Sopitha			<u>468</u>	(1)OF	Balance shown in cash book			<u>125</u>	(1)OF		\$		\$		Balance shown in cash book			125	(1)OF	Add Cheque not presented – Sopitha			<u>468</u>	(1)OF				593		Less Cheque not credited – Thushari	392	(1)OF			Amount not credited – cash sales	4 800	(1)			Bank error	<u>50</u>	(1)	<u>5 242</u>		Balance shown on bank statement			<u>(4 649)</u>	(1)	6
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Question	Answer	Marks
2(c)	Loan interest to pay every year. Loan interest to pay irrespective of profits. Loan to be repaid by given date. Or other suitable point Any 1 point (1)	1
2(d)	Introduce additional capital Take a partner Convert to a limited company Mortgage the premises Borrow from family and friends See if government grants are available Or other suitable point Any 2 points (1) each	2

Question	Answer										Marks
3(a)	</										

Question	Answer	Marks																					
3(c)	Balance b/d 1 September 2016: Value of stationery/inventory of stationery at that date. (1) Credit stationery account for previous financial year. (1) XY Limited 8 February 2017: Value of stationery purchased on credit from XY Limited. (1) Credit XY Limited account. (1) Drawings 31 July 2017: Value of stationery taken by owner for personal use. (1) Debit drawings account. (1)	6																					
3(d)	\$205	1																					
3(e)	Current assets	1																					
3(f)	<table border="1"> <thead> <tr> <th></th><th>Effect on gross profit</th><th>Effect on profit for the year</th></tr> </thead> <tbody> <tr> <td>General expenses omitted from income statement</td><td><i>No effect</i></td><td><i>Overstated</i></td></tr> <tr> <td>Opening inventory over-valued</td><td>Understated (1)</td><td>Understated (1)</td></tr> <tr> <td>Wages account over-added</td><td>No Effect (1)</td><td>Understated (1)</td></tr> <tr> <td>Sales returns omitted from income statement</td><td>Overstated (1)</td><td>Overstated (1)</td></tr> <tr> <td>Carriage inwards included in the expenses in the income statement</td><td>Overstated (1)</td><td>No Effect (1)</td></tr> <tr> <td>Purchases returns added to the purchases</td><td>Understated (1)</td><td>Understated (1)</td></tr> </tbody> </table>		Effect on gross profit	Effect on profit for the year	General expenses omitted from income statement	<i>No effect</i>	<i>Overstated</i>	Opening inventory over-valued	Understated (1)	Understated (1)	Wages account over-added	No Effect (1)	Understated (1)	Sales returns omitted from income statement	Overstated (1)	Overstated (1)	Carriage inwards included in the expenses in the income statement	Overstated (1)	No Effect (1)	Purchases returns added to the purchases	Understated (1)	Understated (1)	10
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Question	Answer	Marks
4(c)	The business is treated as being separate from the owner. (1) Example Rates and insurance for personal use were excluded. (1)	2
4(d)	Should compare with a business in the same trade. Should compare with a business of approximately the same size. Should compare with a business of the same type (sole trader). The financial statements may be for one year, which will not show trends. The financial statements may be for one year which is not a typical year. The financial year may end on different dates (when inventories are high/low). The businesses may apply different accounting policies. The statements do not show non-monetary factors. It may not be possible to obtain all the information needed to make comparisons. Or other suitable points Any 2 points (1) for basic statement and (1) for development	4

Question	Answer	Marks																																
5(a)	Ben Journal <table><tr><td></td><td>Debit \$</td><td>Credit \$</td><td></td></tr><tr><td>Inventory</td><td>15 200</td><td></td><td>}(1)</td></tr><tr><td>Shop fittings</td><td>14 300</td><td></td><td>}</td></tr><tr><td>Cash</td><td>500</td><td></td><td>(1)</td></tr><tr><td>Bank</td><td>32 400</td><td></td><td>(1)</td></tr><tr><td> Loan</td><td></td><td>15 000</td><td>(1)</td></tr><tr><td> Capital</td><td></td><td><u>47 400</u></td><td>(1)</td></tr><tr><td></td><td><u>62 400</u></td><td><u>62 400</u></td><td></td></tr></table>		Debit \$	Credit \$		Inventory	15 200		}(1)	Shop fittings	14 300		}	Cash	500		(1)	Bank	32 400		(1)	Loan		15 000	(1)	Capital		<u>47 400</u>	(1)		<u>62 400</u>	<u>62 400</u>		5
	Debit \$	Credit \$																																
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Capital		<u>47 400</u>	(1)																															
	<u>62 400</u>	<u>62 400</u>																																
5(b)	Ben Journal <table><tr><td></td><td>Debit \$</td><td>Credit \$</td><td></td></tr><tr><td>Office equipment</td><td>1 900</td><td></td><td>(1)</td></tr><tr><td> Equip Limited</td><td></td><td>1 900</td><td>(1)</td></tr><tr><td>Purchase of office equipment on credit</td><td></td><td></td><td>(1)</td></tr><tr><td>Drawings</td><td>430</td><td></td><td>(1)</td></tr><tr><td> Purchases</td><td></td><td>430</td><td>(1)</td></tr><tr><td>Goods taken for own use</td><td></td><td></td><td>(1)</td></tr></table>		Debit \$	Credit \$		Office equipment	1 900		(1)	Equip Limited		1 900	(1)	Purchase of office equipment on credit			(1)	Drawings	430		(1)	Purchases		430	(1)	Goods taken for own use			(1)	6				
	Debit \$	Credit \$																																
Office equipment	1 900		(1)																															
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Drawings	430		(1)																															
Purchases		430	(1)																															
Goods taken for own use			(1)																															
5(c)	Capital expenditure: Money spent on acquiring, improving and installing non-current assets. (1) Any suitable example, such as purchase of premises. (1) Revenue expenditure: Money spent on running the business on a day-to-day basis. (1) Any suitable example, such as payment of wages. (1) Revenue receipts: Amounts received in the day-to-day trading activities from revenue and other items of income. (1) Any suitable example, such as rent received. (1)	6																																

Question	Answer						Marks	
5(d)		Effect on assets		Effect on liabilities		Effect on profit		8
		Overstated	Understated	Overstated	Understated	Overstated	Understated	
		\$	\$	\$	\$	\$	\$	
	Error 1	550	–	–	–	450	–	
	Error 2	–	–	–	375 (2)	375 (2)	–	
	Error 3	150 (2)				150 (2)		
	For each entry – (1) for position and (1) for amount							