

NOVEMBER 2002

INTERNATIONAL GCSE

MARK SCHEME

MAXIMUM MARK : 100

SYLLABUS/COMPONENT : 0452/03

ACCOUNTING



Question One

Part (a)

Journal

| | Debit \$ | Credit \$ |
|------------------------------------------------------|-------------|------------------|
| 1. Stationery Suspense | 50 (1) | 50 (1) |
| 2. Suspense Sales | 1 000 (1) | 1 000 (1) |
| 3. Abdulla Ahmed Abdul Ahmed | 240 (1) | 240 (1) |
| 4. Suspense Discount Allowed Discount Received | 28 (1) | 14 (1) 14 (1) |
| 5. Joe Jones Suspense | 190 (1) | 190 (1) |

[11]

Part (b)

Suspense Account

| | \$ | | \$ |
|-------------------|---------------|-----------------------------|----------------|
| Sales | 1 000 (1) | Difference on Trial Balance | 788 (1) |
| Discount allowed | 14 (1) | Stationery | 50 (1) |
| Discount received | <u>14 (1)</u> | Joe Jones | <u>190 (1)</u> |
| | <u>1 028</u> | | <u>1 028</u> |

[6]

Question One Continued
Part (b) Alternative Presentation

Suspense Account

| | Debit | Credit | Balance |
|-----------------------------|-----------|---------|---------|
| | \$ | \$ | \$ |
| Difference on Trial Balance | | 788 (1) | 788 Cr |
| Stationery | | 50 (1) | 838 Cr |
| Sales | 1 000 (1) | | 162 Dr |
| Discount allowed | 14 (1) | | 176 Dr |
| Discount received | 14 (1) | | 190 Dr |
| Joe Jones | | 190 (1) | 0 |

[6]

Part (c)

- Error 2 – Increase of \$1 000 (1)
- 3 – No effect (1)
- 4 – Increase of \$28 (1)
- 5 – No effect (1)

[4]

[Total 21]

| | | | |
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Question Two

Part (a)

Provides instant totals of debtors/creditors

Prove the arithmetical accuracy of the ledgers they control

Enable the Balance Sheet to be prepared quickly

May be used to identify ledgers in which there are errors when
a Trial Balance does not agree

Provides a summary of the transactions relating to debtors/creditors
for the period

Provides an internal check on the appropriate ledgers – may reduce fraud

Or other relevant points

Any 2 points (1) each

[2]

Part (b)

(i) Sales Journal (Sales Day Book) (1)

(ii) Cash Book (1)

(iii) Journal (General Journal) (1)

[3]

Part (c)

Debtor overpaid the amount owed

Debtor paid his account and later returned goods

Or other suitable reason

Any 1 point (2)

[2]

Question Two
Part (d)

Purchases Ledger Control Account

| | | | |
|--------------------------|------------------|-------------------|---------------|
| 2002 | \$ | 2002 | \$ |
| Oct 31 Purchases returns | 135 (1) | Oct 1 Balance b/d | 2 950 (1) |
| Bank | 4 120 (1) | 31 Purchases | 5 050 (1) |
| Discount received | 85 (1) | Cash | 100 (1) |
| Balance c/d | <u>3 760 (1)</u> | | |
| | <u>8 100</u> | | <u>8 100</u> |
| | | Nov 1 Balance b/d | 3 760 (1) O/F |

+ (1) Dates

[9]

Alternative Presentation –

Purchases Ledger Control Account

| 2002 | Debit | Credit | Balance |
|-------------------|-----------|-----------|-----------------|
| | \$ | \$ | \$ |
| Oct 1 Balance | | 2 950 (1) | 2 950 Cr |
| 31 Purchases | | 5 050 (1) | 8 000 Cr |
| Cash | | 100 (1) | 8 100 Cr |
| Purchases returns | 135 (1) | | 7 965 Cr |
| Bank | 4 120 (1) | | 3 845 Cr |
| Discount received | 85 (1) | | 3 760 Cr (2)C/F |
| | | | (1)O/F |

+ (1) Dates

[9]

[Total 16]

Question Three

Part (a)

Receipts and Payments Account for the year ended 30 September 2002

| 2001 | \$ | 2002 | \$ |
|-------------------------|---------------|-----------------------|------------------|
| Oct 1 Balance | 4 750 (1) | Sept 30 Insurance | 660 (1) |
| 2002 | | Rent | 1 040 (1) |
| Sept 30 Snack bar sales | 3 000 (1) | Snack bar purchases | 2 600 (1) |
| Subscriptions | 3 250 (1) | General expenses | 1 210} |
| Sale of equipment | 50 (1) | Printing & stationery | 210} (1) |
| | | Equipment | 2 050 (1) |
| | | Balance c/d | <u>3 280 (1)</u> |
| | <u>11 050</u> | | <u>11 050</u> |
| 2002 | | | |
| Oct 1 Balance b/d | 3 280 | | |

[10]

Part (b)

Income & Expenditure A/c similar to Profit and Loss – Receipts & Payments

A/c summary of Cash Book

Income & Expenditure A/c used to calculate surplus/deficit – Receipts &

Payments A/c used to calculate bank balance

Income & Expenditure A/c includes adjustments for accruals and prepayments

Income & Expenditure A/c includes non-monetary items

Income & Expenditure A/c does not include capital receipts and capital payments

Or other relevant points

Any 2 points up to (2) each –[4]

Question Three
Part (c)

Snack Bar Trading Account for the year ended 30 September 2002

| | | | |
|------------------------------|----------------|------------------|-------------------|
| Sales | \$ | \$ | \$ |
| Less Cost of Sales | | | 3 000 (1) |
| Stock 1 October 2001 | | 260 (1) | |
| Purchases | | <u>2 600 (1)</u> | |
| | | 2 860 | |
| Less Stock 30 September 2002 | | | |
| Stock stolen | 235 (1)O/F | | |
| Stock remaining | <u>125 (1)</u> | <u>360</u> | <u>2 500 (2)</u> |
| Gross Profit | | | <u>500 (1)O/F</u> |

[8]

Horizontal presentation acceptable

[Total 22]

Question Four

Part (a)

Will have a share in the profits
 Can take part in decision-making
 Prospects for future (especially as Gideon is retiring)

Or other relevant points

Any 2 points (1) each [2]

Part (b)

Will be personally liable for the debts of the firm
 Will have greater responsibilities
 Will probably be required to invest capital

Or other relevant points

Any 2 points (1) each [2]

Part (c)(i)

Goodwill Account

| 2002 | \$ | 2002 | \$ |
|----------------------|---------------|----------------------|---------------|
| Oct 1 Capital Gideon | 8 000 (1) | Oct 1 Capital Gideon | 4 800 (1) |
| Mary | 4 000 (1) | Mary | 4 800 (1) |
| | | John | 2 400 (1) |
| | <u>12 000</u> | | <u>12 000</u> |

[5]

Alternative presentation –

Goodwill Account

| 2002 | Debit | Credit | Balance |
|----------------------|-----------|-----------|-----------|
| | \$ | \$ | \$ |
| Oct 1 Capital Gideon | 8 000 (1) | | 8 000 Dr |
| Mary | 4 000 (1) | | 12 000 Dr |
| Capital Gideon | | 4 800 (1) | 7 200 Dr |
| Mary | | 4 800 (1) | 2 400 Dr |
| John | | 2 400 (1) | 0 |

[5]

Question Four Continued
Part (c)(ii)

Capital Accounts

| | Gideon | Mary | John | | Gideon | Mary | John |
|----------------|--------------|--------------|--------------|-------------------|--------------|--------------|--------------|
| 2002 | \$ | \$ | \$ | 2002 | \$ | \$ | \$ |
| | (1)O/F | (1)O/F | (1)O/F | | (1) | (1) | |
| Oct 1 Goodwill | 4800 | 4800 | 2400 | Oct 1 Balance | 40000 | 30000 | |
| | | | | Cash | | | 20000 (1) |
| Balance c/d | 43200 | 29200 | 22600 | Motor | | | 5000 (1) |
| | | | | Goodwill | (1)O/F | (1)O/F | |
| | | | | | 8000 | 4000 | |
| | <u>48000</u> | <u>34000</u> | <u>25000</u> | | <u>48000</u> | <u>34000</u> | <u>25000</u> |
| | | | | Oct 1 Balance b/d | 43200 | 29200 | 22600 |
| | | | | | (1)O/F | (1)O/F | (1)O/F |

[12]

Alternative presentation – three separate Capital Accounts in ‘T’ account format

Alternative presentation – three separate Capital Accounts in three column running balance format. See next page.

Question Four Continued
Part (c)(ii) Alternative presentation

Gideon Capital Account

| 2002 | Debit | Credit | Balance |
|---------------|--------------|--------------|------------------|
| | \$ | \$ | \$ |
| Oct 1 Balance | | 40 000 (1) | 40 000 Cr |
| Goodwill | | 8 000 (1)O/F | 48 000 Cr |
| Goodwill | 4 800 (1)O/F | | 43 200 Cr (1)O/F |

Mary Capital Account

| 2002 | Debit | Credit | Balance |
|---------------|--------------|--------------|------------------|
| | \$ | \$ | \$ |
| Oct 1 Balance | | 30 000 (1) | 30 000 Cr |
| Goodwill | | 4 000 (1)O/F | 34 000 Cr |
| Goodwill | 4 800 (1)O/F | | 29 200 Cr (1)O/F |

John Capital Account

| 2002 | Debit | Credit | Balance |
|------------|--------------|------------|------------------|
| | \$ | \$ | \$ |
| Oct 1 Cash | | 20 000 (1) | 20 000 Cr |
| Motor | | 5 000 (1) | 25 000 Cr |
| Goodwill | 2 400 (1)O/F | | 22 600 Cr (1)O/F |

[12]

Part (d)

- Location of business
- Reputation of business
- Possession of trademarks and brand names
- Number of regular customers
- Experienced and reliable staff
- Contacts with regular suppliers

Or other relevant points

Any 2 points (1) each

[2]

[Total 23]

| | | | |
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Question Five

Part (a)

Khalid Ahmed

- (i) Gross Profit/Sales $\frac{13750}{55000} \times \frac{100}{1} = 25\% \text{ (1)}$
- (ii) Net Profit/Sales $\frac{4675}{55000} \times \frac{100}{1} = 8.5\% \text{ (1)}$
- (iii) Collection period for debtors $\frac{2870}{(1)30000} \times \frac{365}{1} = 34.92 \text{ days (1)}$
- (iv) Payment period for creditors $\frac{4850}{(1)42300} \times \frac{365}{1} = 41.85 \text{ days (1)}$

Omar and Sara Moussa

- (i) Gross Profit/Sales $\frac{32400}{108000} \times \frac{100}{1} = 30\% \text{ (1)}$
- (ii) Net Profit/Sales $\frac{19440}{108000} \times \frac{100}{1} = 18\% \text{ (1)}$
- (iii) Collection period for debtors $\frac{16750}{108000} \times \frac{365}{1} = 56.61 \text{ days (1)}$
- (iv) Payment period for creditors $\frac{12500}{72800} \times \frac{365}{1} = 62.67 \text{ days (1)}$

[10]

| | | | |
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Question Five Continued

Part (b)

Different type of business (sole trader/partnership)

Different type of trade (food store/furniture store)

One run by manager one run by owners

One is a new business one is 5 years old

Different types of expenses – one has rent other has costs of premises
one has no delivery costs other has motor expenses

Different volume of sales

Or other relevant points

Any 4 points (2) each

[8]

[Total 18]