

MARK SCHEME for the June 2005 question paper

0452 ACCOUNTING

0452/02 Paper 2, maximum raw mark 90

This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which Examiners were initially instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began. Any substantial changes to the mark scheme that arose from these discussions will be recorded in the published *Report on the Examination*.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes must be read in conjunction with the question papers and the *Report on the Examination*.

- CIE will not enter into discussion or correspondence in connection with these mark schemes.

CIE is publishing the mark schemes for the June 2005 question papers for most IGCSE and GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.



Grade thresholds for Syllabus 0452 (Accounting) in the June 2005 examination.

	Maximum mark available	Minimum mark required for grade:			
		A	C	E	F
Component 2	90	73	58	39	30

The threshold (minimum mark) for B is set halfway between those for Grades A and C.
The threshold (minimum mark) for D is set halfway between those for Grades C and E.
The threshold (minimum mark) for G is set as many marks below F threshold as the E threshold is above it.

Grade A* does not exist at the level of an individual component.

June 2005

IGCSE

MARK SCHEME

MAXIMUM MARK: 90

SYLLABUS/COMPONENT: 0452/02

ACCOUNTING
Paper 2



Page 1	Mark Scheme	Syllabus	Paper
	IGCSE – JUNE 2005	0452	2

Question number	Question (including any source details)	Part mark									
1	(a) Cash book, Sales journal, Purchases journal, Sales returns journal, Purchases returns journal, Journal, Petty cash book (any two).	[2]									
	(b) An expense incurred in the accounting period but unpaid at the end of the period.	[1]									
	(c) Current liabilities.	[1]									
	(d) Suspense account.	[1]									
	(e) Profit and Loss Account.	[1]									
	(f) Error of original entry.	[1]									
	(g) Business will continue trading for the foreseeable future.	[1]									
	(h) (i) \$1,800	[1]									
	(ii) \$1,800	[1]									
	(iii) \$8,400	[1]									
	(iv)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Dr \$</th> <th style="text-align: center;">Cr \$</th> </tr> </thead> <tbody> <tr> <td>Profit and Loss Account (accept Depreciation account)</td> <td style="text-align: center;">1 800 (1)OF</td> <td></td> </tr> <tr> <td>Provision for depreciation</td> <td></td> <td style="text-align: center;">1 800 (1)OF</td> </tr> </tbody> </table>		Dr \$	Cr \$	Profit and Loss Account (accept Depreciation account)	1 800 (1)OF		Provision for depreciation		1 800 (1)OF
	Dr \$	Cr \$									
Profit and Loss Account (accept Depreciation account)	1 800 (1)OF										
Provision for depreciation		1 800 (1)OF									
[Total: 13]											

Page 2	Mark Scheme	Syllabus	Paper
	IGCSE – JUNE 2005	0452	2

Question number	Question (including any source details)	Part mark																																																																					
2 (a)	<p style="text-align: center;">Bonnie Clyde Balance Sheet at 31 March 2005</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Fixed Assets</td> <td></td> <td></td> </tr> <tr> <td>Machinery at cost</td> <td style="text-align: right;">20 000 (1)</td> <td></td> </tr> <tr> <td>Provision for depreciation</td> <td style="text-align: right;"><u>12 000 (1)</u></td> <td></td> </tr> <tr> <td>Net book value</td> <td></td> <td style="text-align: right;">8 000 (1)</td> </tr> <tr> <td>Current Assets</td> <td></td> <td></td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">3 000 (1)</td> <td></td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">1 000 (1)</td> <td></td> </tr> <tr> <td>Bank</td> <td style="text-align: right;"><u>500 (1)</u></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">4 500</td> <td></td> </tr> <tr> <td>Current Liabilities</td> <td></td> <td></td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;"><u>700 (1)</u></td> <td></td> </tr> <tr> <td>Working capital</td> <td></td> <td style="text-align: right;"><u>3 800</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">11 800</td> </tr> <tr> <td>Long term Liability</td> <td></td> <td></td> </tr> <tr> <td>Bank loan (accept if under capital)</td> <td></td> <td style="text-align: right;"><u>2 800 (1)</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>9 000</u></td> </tr> <tr> <td>Capital</td> <td></td> <td></td> </tr> <tr> <td>Balance at 1 April 2004</td> <td></td> <td style="text-align: right;">6 000 (1)</td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;"><u>7 500 (1)</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">13 500</td> </tr> <tr> <td>less drawings</td> <td></td> <td style="text-align: right;"><u>4 500 (1)</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>9 000 (1) for matching totals</u></td> </tr> </table> <p>[Horizontal format acceptable]</p>		\$	\$	Fixed Assets			Machinery at cost	20 000 (1)		Provision for depreciation	<u>12 000 (1)</u>		Net book value		8 000 (1)	Current Assets			Stock	3 000 (1)		Debtors	1 000 (1)		Bank	<u>500 (1)</u>			4 500		Current Liabilities			Creditors	<u>700 (1)</u>		Working capital		<u>3 800</u>			11 800	Long term Liability			Bank loan (accept if under capital)		<u>2 800 (1)</u>			<u>9 000</u>	Capital			Balance at 1 April 2004		6 000 (1)	Profit for the year		<u>7 500 (1)</u>			13 500	less drawings		<u>4 500 (1)</u>			<u>9 000 (1) for matching totals</u>	[12]
	\$	\$																																																																					
Fixed Assets																																																																							
Machinery at cost	20 000 (1)																																																																						
Provision for depreciation	<u>12 000 (1)</u>																																																																						
Net book value		8 000 (1)																																																																					
Current Assets																																																																							
Stock	3 000 (1)																																																																						
Debtors	1 000 (1)																																																																						
Bank	<u>500 (1)</u>																																																																						
	4 500																																																																						
Current Liabilities																																																																							
Creditors	<u>700 (1)</u>																																																																						
Working capital		<u>3 800</u>																																																																					
		11 800																																																																					
Long term Liability																																																																							
Bank loan (accept if under capital)		<u>2 800 (1)</u>																																																																					
		<u>9 000</u>																																																																					
Capital																																																																							
Balance at 1 April 2004		6 000 (1)																																																																					
Profit for the year		<u>7 500 (1)</u>																																																																					
		13 500																																																																					
less drawings		<u>4 500 (1)</u>																																																																					
		<u>9 000 (1) for matching totals</u>																																																																					
(b)	<p>(i) Current assets less current liabilities (1) Capital needed for day to day running of business (1)</p> <p>(ii) Working capital \$4 500 (1OF) less \$700 (1)OF = \$3 800 (1)</p>	[4]																																																																					
[Total: 16]																																																																							

Question number	Question (including any source details)	Part mark																												
3 (a)	Zafira Cash Book																													
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 20%; text-align: center;">Dr</th> <th style="width: 20%;"></th> <th style="width: 20%; text-align: center;">Cr</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">\$</td> <td></td> <td style="text-align: center;">\$</td> </tr> <tr> <td>Balance b/d</td> <td style="text-align: right;">620 (1)</td> <td>Bank charges</td> <td style="text-align: right;">15 (1)</td> </tr> <tr> <td>Bank interest</td> <td style="text-align: right;">20 (1)</td> <td>Insurance (D/debit)</td> <td style="text-align: right;">40 (1)</td> </tr> <tr> <td>Aisha (credit transfer)</td> <td style="text-align: right;">130 (1)</td> <td>Dishonoured cheque, Yanni (either)</td> <td style="text-align: right;">65 (1)</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>770</u></td> <td>Balance c/d</td> <td style="text-align: right;"><u>770</u></td> </tr> <tr> <td>Balance b/d</td> <td style="text-align: right;">650 (1)OF</td> <td></td> <td></td> </tr> </tbody> </table> <p>[Running balance acceptable]</p>		Dr		Cr		\$		\$	Balance b/d	620 (1)	Bank charges	15 (1)	Bank interest	20 (1)	Insurance (D/debit)	40 (1)	Aisha (credit transfer)	130 (1)	Dishonoured cheque, Yanni (either)	65 (1)		<u>770</u>	Balance c/d	<u>770</u>	Balance b/d	650 (1)OF			[7]
		Dr		Cr																										
	\$		\$																											
Balance b/d	620 (1)	Bank charges	15 (1)																											
Bank interest	20 (1)	Insurance (D/debit)	40 (1)																											
Aisha (credit transfer)	130 (1)	Dishonoured cheque, Yanni (either)	65 (1)																											
	<u>770</u>	Balance c/d	<u>770</u>																											
Balance b/d	650 (1)OF																													
(b)	<p>Bank reconciliation statement at 30 April 2005</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 50%;">Balance on updated cash book (from (a) above)</td> <td style="width: 15%; text-align: right;">650</td> <td style="width: 35%; text-align: right;">(1)OF</td> </tr> <tr> <td>Adjustments:</td> <td></td> <td></td> </tr> <tr> <td>add: unpresented cheque</td> <td style="text-align: right;"><u>250</u> 900</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>less: amount not yet credited</td> <td style="text-align: right;">310</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Balance on bank statement</td> <td style="text-align: right;">590</td> <td style="text-align: right;">(2)</td> </tr> <tr> <td>[Amounts must have narrative]</td> <td></td> <td style="text-align: right;">(1)OF</td> </tr> </tbody> </table>	Balance on updated cash book (from (a) above)	650	(1)OF	Adjustments:			add: unpresented cheque	<u>250</u> 900	(1)	less: amount not yet credited	310	(1)	Balance on bank statement	590	(2)	[Amounts must have narrative]		(1)OF	[5]										
Balance on updated cash book (from (a) above)	650	(1)OF																												
Adjustments:																														
add: unpresented cheque	<u>250</u> 900	(1)																												
less: amount not yet credited	310	(1)																												
Balance on bank statement	590	(2)																												
[Amounts must have narrative]		(1)OF																												
(c)	<p>Incorrect entry in cash book Transposition of figures in cash book Addition error on cash book page Item on bank statement omitted from cash book - or similar explanations [Any two - 2 marks each]</p> <p style="text-align: right;">[Repeating part (b) = 0]</p>	[4]																												
[Total: 16]																														

Question number	Question (including any source details)	Part mark																																																																																								
4	(a) <p style="text-align: center;">Redd - Purchases Ledger</p> <p style="text-align: center;">Block account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">2005</th> <th>\$</th> <th></th> <th colspan="2">2005</th> <th>\$</th> <th></th> </tr> </thead> <tbody> <tr> <td>8 March</td> <td>Purchases returns</td> <td>100</td> <td>(1)</td> <td>5 March</td> <td>Purchases</td> <td>320</td> <td>(1)</td> </tr> <tr> <td>30 March</td> <td>Bank</td> <td>220</td> <td>(1)</td> <td>29 March</td> <td>Purchases</td> <td>270</td> <td>(1)</td> </tr> <tr> <td>31 March</td> <td>Balance c/d</td> <td><u>270</u></td> <td>(1)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td><u>590</u></td> <td></td> <td></td> <td></td> <td><u>590</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>1 April</td> <td>Balance b/d</td> <td>270</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>(1)OF</td> <td></td> </tr> </tbody> </table> <p style="text-align: center;">Quayle account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">2005</th> <th>\$</th> <th></th> <th colspan="2">2005</th> <th>\$</th> <th></th> </tr> </thead> <tbody> <tr> <td>31 March</td> <td>Bank</td> <td>485</td> <td>(1)</td> <td>17 March</td> <td>Purchases</td> <td><u>500</u></td> <td>(1)</td> </tr> <tr> <td></td> <td>Discount</td> <td><u>15</u></td> <td>(1)</td> <td></td> <td></td> <td><u>500</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td><u>500</u></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p style="text-align: right;">+ (1) for all dates [need not show year]</p> <p>[Running balance acceptable]</p>	2005		\$		2005		\$		8 March	Purchases returns	100	(1)	5 March	Purchases	320	(1)	30 March	Bank	220	(1)	29 March	Purchases	270	(1)	31 March	Balance c/d	<u>270</u>	(1)							<u>590</u>				<u>590</u>						1 April	Balance b/d	270								(1)OF		2005		\$		2005		\$		31 March	Bank	485	(1)	17 March	Purchases	<u>500</u>	(1)		Discount	<u>15</u>	(1)			<u>500</u>				<u>500</u>						[10]
	2005		\$		2005		\$																																																																																			
8 March	Purchases returns	100	(1)	5 March	Purchases	320	(1)																																																																																			
30 March	Bank	220	(1)	29 March	Purchases	270	(1)																																																																																			
31 March	Balance c/d	<u>270</u>	(1)																																																																																							
		<u>590</u>				<u>590</u>																																																																																				
				1 April	Balance b/d	270																																																																																				
						(1)OF																																																																																				
2005		\$		2005		\$																																																																																				
31 March	Bank	485	(1)	17 March	Purchases	<u>500</u>	(1)																																																																																			
	Discount	<u>15</u>	(1)			<u>500</u>																																																																																				
		<u>500</u>																																																																																								
(b)	<p style="text-align: center;">Rent account</p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td colspan="4">2004</td> <td colspan="4">2005</td> </tr> <tr> <td>2 April</td> <td>Bank</td> <td>900</td> <td>(1)</td> <td>31 March</td> <td>P/L Account</td> <td>3 600</td> <td>(1)</td> </tr> <tr> <td>2 July</td> <td>Bank</td> <td>700</td> <td>(1)</td> <td></td> <td>Balance c/d</td> <td><u>800</u></td> <td>(1)</td> </tr> <tr> <td>31 July</td> <td>Bank</td> <td>200</td> <td></td> <td></td> <td></td> <td><u>4 400</u></td> <td></td> </tr> <tr> <td>30 Sept</td> <td>Bank</td> <td>900</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>(1)</td> <td>1 April</td> <td>Balance b/d</td> <td>800</td> <td>(1)OF</td> </tr> <tr> <td>4 Jan</td> <td>Bank</td> <td>900</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>29 March</td> <td>Bank</td> <td><u>800</u></td> <td>(1)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td><u>4 400</u></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>[Must have narrative]</p> <p>[Running balance acceptable]</p> <p style="text-align: right;">+ (1) for all dates</p>	2004				2005				2 April	Bank	900	(1)	31 March	P/L Account	3 600	(1)	2 July	Bank	700	(1)		Balance c/d	<u>800</u>	(1)	31 July	Bank	200				<u>4 400</u>		30 Sept	Bank	900									(1)	1 April	Balance b/d	800	(1)OF	4 Jan	Bank	900						29 March	Bank	<u>800</u>	(1)							<u>4 400</u>						[8]																
2004				2005																																																																																						
2 April	Bank	900	(1)	31 March	P/L Account	3 600	(1)																																																																																			
2 July	Bank	700	(1)		Balance c/d	<u>800</u>	(1)																																																																																			
31 July	Bank	200				<u>4 400</u>																																																																																				
30 Sept	Bank	900																																																																																								
			(1)	1 April	Balance b/d	800	(1)OF																																																																																			
4 Jan	Bank	900																																																																																								
29 March	Bank	<u>800</u>	(1)																																																																																							
		<u>4 400</u>																																																																																								

Page 5	Mark Scheme	Syllabus	Paper
	IGCSE – JUNE 2005	0452	2

Question number	Question (including any source details)	Part mark																																																						
5	<p>(c) (i) Costs should be offset against revenues from the same accounting period. (2) Accept example.</p> <p>(ii) The rent paid in advance on 29 March 2005 relates to the following accounting year and is therefore subtracted from the amount charged to Profit and Loss Account for the year ended 31 March 2005. (2)</p>	[4]																																																						
	<p>(a)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td>Total bank deposits</td> <td style="text-align: right;">15 270</td> <td></td> </tr> <tr> <td>Less: cash sales</td> <td style="text-align: right;"><u>2 680</u> (1)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">12 590</td> <td></td> </tr> <tr> <td>less: Debtors at 1 April 2004</td> <td style="text-align: right;"><u>3 140</u> (1)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">9 450</td> <td></td> </tr> <tr> <td>add: Debtors at 31 March 2005</td> <td style="text-align: right;"><u>4 080</u> (1)</td> <td></td> </tr> <tr> <td>Credit sales for year</td> <td style="text-align: right;"><u>13 530</u> (1)</td> <td></td> </tr> </table> <p>[Amounts need narrative]</p>		\$		Total bank deposits	15 270		Less: cash sales	<u>2 680</u> (1)			12 590		less: Debtors at 1 April 2004	<u>3 140</u> (1)			9 450		add: Debtors at 31 March 2005	<u>4 080</u> (1)		Credit sales for year	<u>13 530</u> (1)		[4]																														
	\$																																																							
Total bank deposits	15 270																																																							
Less: cash sales	<u>2 680</u> (1)																																																							
	12 590																																																							
less: Debtors at 1 April 2004	<u>3 140</u> (1)																																																							
	9 450																																																							
add: Debtors at 31 March 2005	<u>4 080</u> (1)																																																							
Credit sales for year	<u>13 530</u> (1)																																																							
	<p>(b)</p> <p style="text-align: center;">William Trading and Profit and Loss Account for the year ended 31 March 2005</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Sales -credit</td> <td></td> <td style="text-align: right;">13 530 (1)OF</td> </tr> <tr> <td>-cash</td> <td></td> <td style="text-align: right;"><u>2 680</u> (1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">16 210</td> </tr> <tr> <td>Stock at 1 April 2004</td> <td style="text-align: right;">1 780 (1)</td> <td></td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">9 560 (1)</td> <td></td> </tr> <tr> <td>Carriage inwards</td> <td style="text-align: right;"><u>280</u> (1)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">11 620</td> <td></td> </tr> <tr> <td>Stock at 31 March 2005</td> <td style="text-align: right;"><u>1 920</u> (1)</td> <td></td> </tr> <tr> <td>Cost of goods sold</td> <td></td> <td style="text-align: right;"><u>9 700</u> (1)</td> </tr> <tr> <td>Gross profit</td> <td></td> <td style="text-align: right;">6 510 (1)OF</td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">600</td> <td></td> </tr> <tr> <td>Electricity</td> <td style="text-align: right;">360</td> <td></td> </tr> <tr> <td>Motor expenses</td> <td style="text-align: right;">800 (2) *</td> <td></td> </tr> <tr> <td>Insurance</td> <td style="text-align: right;">580</td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;"><u>1 370</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>3 710</u></td> </tr> <tr> <td>Net profit</td> <td></td> <td style="text-align: right;"><u>2 800</u> (1)OF</td> </tr> </table> <p style="text-align: center;">* 5 items = 2 marks 1 error = 1 mark 2 errors = 0 marks Error = wrong figure, alien or omission</p>		\$	\$	Sales -credit		13 530 (1)OF	-cash		<u>2 680</u> (1)			16 210	Stock at 1 April 2004	1 780 (1)		Purchases	9 560 (1)		Carriage inwards	<u>280</u> (1)			11 620		Stock at 31 March 2005	<u>1 920</u> (1)		Cost of goods sold		<u>9 700</u> (1)	Gross profit		6 510 (1)OF	Rent	600		Electricity	360		Motor expenses	800 (2) *		Insurance	580		Wages	<u>1 370</u>				<u>3 710</u>	Net profit		<u>2 800</u> (1)OF	[11]
	\$	\$																																																						
Sales -credit		13 530 (1)OF																																																						
-cash		<u>2 680</u> (1)																																																						
		16 210																																																						
Stock at 1 April 2004	1 780 (1)																																																							
Purchases	9 560 (1)																																																							
Carriage inwards	<u>280</u> (1)																																																							
	11 620																																																							
Stock at 31 March 2005	<u>1 920</u> (1)																																																							
Cost of goods sold		<u>9 700</u> (1)																																																						
Gross profit		6 510 (1)OF																																																						
Rent	600																																																							
Electricity	360																																																							
Motor expenses	800 (2) *																																																							
Insurance	580																																																							
Wages	<u>1 370</u>																																																							
		<u>3 710</u>																																																						
Net profit		<u>2 800</u> (1)OF																																																						
		[Total: 22]																																																						

Page 6	Mark Scheme	Syllabus	Paper
	IGCSE – JUNE 2005	0452	2

Question number	Question (including any source details)	Part mark
(c)	Gross profit/Sales x 100 6 510 (1)OF /16 210 (1)OF x 100 = 40.16% (1)OF	[3]
(d)	(i) Gross profit increased (1) by \$90 (1)	[2]
	(ii) Revised gross profit percentage: 6 600 (1)OF /16 300 (1)OF x 100 = 40.49% (1)OF	[3]
		[Total: 23]