

Centre Number	Candidate Number	Name
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UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
International General Certificate of Secondary Education

**ACCOUNTING**

**0452/02**

Paper 2

May/June 2005

**1 hour 30 minutes**

Candidates answer on the Question Paper.  
No Additional Materials are required.

**READ THESE INSTRUCTIONS FIRST**

Write your Centre number, candidate number and name on all the work you hand in.  
Write in dark blue or black pen in the spaces provided on the Question Paper.  
You may use a soft pencil for rough working.  
Do not use staples, paper clips, highlighters, glue or correction fluid.

Answer **all** questions.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [ ] at the end of each question or part question.

You may use a calculator.

Where layouts are to be completed, you may not need all the lines for your answer.

The businesses mentioned in this Question Paper are fictitious.

For Examiner's Use	
1	
2	
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<b>Total</b>	

If you have been given a label, look at the details. If any details are incorrect or missing, please fill in your correct details in the space given at the top of this page.

Stick your personal label here, if provided.

This document consists of **13** printed pages and **3** blank pages.



1 (a) Name **two** books of prime (original) entry.

(i) .....

(ii) ..... [2]

(b) Explain what is meant by an accrued expense.

.....  
..... [1]

(c) In which section of the Balance Sheet will a bank overdraft be shown?

..... [1]

(d) To which account would the unexplained difference on a trial balance be transferred?

..... [1]

(e) In which final account will the cost of repairs to motor vehicles be shown?

..... [1]

(f) A sales invoice is entered in the sales returns journal by mistake. Name the type of error which has been made.

..... [1]

(g) State what is meant by going concern.

.....  
..... [1]

(h) Ahmed draws up his accounts to 31 March each year. He bought a machine on 1 April 2004 for \$12 000. Depreciation is to be charged at 15% per annum on a straight line basis.

(i) Calculate the depreciation charge in his accounts for the year ended 31 March 2005.

.....  
..... [1]

(ii) Calculate the depreciation charge in his accounts for the year ended 31 March 2006.

.....  
..... [1]

(iii) Calculate the net book value of the machine at 31 March 2006.

.....  
.....[1]

(iv) Show the journal entry to enter the depreciation for the year ended 31 March 2005 in Ahmed's accounts. A narrative is **not** required.

	Dr \$	Cr \$

[2]

[Total: 13]



.....

.....

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.....[12]

**(b) (i)** Define working capital.

.....[1]

**(ii)** From your answer to **(a)** above, calculate Bonnie's working capital at 31 March 2005.

.....

.....

.....[3]

**[Total: 16]**



At 30 April 2005 Zafira discovers the following:

- 1 she has recorded a receipt in her cash book of \$310 but has not yet deposited the money at the bank
- 2 she has written a cheque for \$250 and entered it in the cash book but it has not yet been paid by the bank.

**REQUIRED**

**(b)** Prepare the bank reconciliation statement at 30 April 2005.

Zafira  
Bank reconciliation statement at 30 April 2005

.....

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.....

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.....

.....

.....[5]

Zafira's bank statement shows a balance which is different from the bank reconciliation statement.

**REQUIRED**

**(c)** Suggest **two possible errors** which may have caused this difference.

**(i)** .....

.....

**(ii)** .....

.....

[4]

**[Total: 16]**

- 4 Redd keeps full accounting records and makes up his final accounts to 31 March each year.

The following are extracts from his accounting records for March 2005.

Purchases Journal

5 March	Block	\$ 320
17 March	Quale	500
29 March	Block	270

Purchases Returns Journal

8 March	Block	\$ 100
---------	-------	--------

Cash Book (Cr)

		Discount Received \$	Bank \$
30 March	Block		220
31 March	Quale	15	485

**REQUIRED**

- (a) Write up the accounts of Block and Quayle in Redd's purchases ledger for the month of March 2005, showing any balances carried and brought down.

Redd – Purchases Ledger

Block account

.....

.....

.....

.....

.....

.....

.....

.....





(c) (i) Explain what is meant by matching.

.....  
.....  
.....[2]

(ii) Describe how matching has been applied in Redd's rent account prepared in (b) above.

.....  
.....  
.....  
.....  
.....  
.....  
.....[2]

**[Total: 22]**

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**Question 5 is on the following page.**

- 5 A summary of William's cash book for the year ended 31 March 2005 shows the following.

William – Cash Book (bank columns)

Date		\$	Date		\$
1 April 2004	Balance b/d	730			
Year ended 31 March 2005	Cash and credit deposits from customers	15 270	Year ended 31 March 2005	Payments to suppliers, expenses and drawings	14 750
			31 March 2005	Balance c/d	1 250
	Total	16 000		Total	16 000
1 April 2005	Balance b/d	1 250			

You are given the following additional information:

	\$
Debtors at 1 April 2004	3 140
at 31 March 2005	4 080
Cash sales all deposited at the bank (already included in the deposits for the year shown above)	2 680
Stock at 1 April 2004	1 780
at 31 March 2005	1 920

An analysis of cheque payments shows the following:

	\$
Purchases from suppliers	9 560
Carriage inwards	280
Rent	600
Electricity	360
Motor expenses	800
Insurance	580
Wages paid to staff	1 370
Drawings (William)	<u>1 200</u>
	<u>14 750</u>





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