



**Cambridge Assessment International Education**  
Cambridge International General Certificate of Secondary Education

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**ACCOUNTING**

**0452/13**

Paper 1

**October/November 2017**

MARK SCHEME

Maximum Mark: 120

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**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.

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This document consists of **13** printed pages.

<b>Question</b>	<b>Answer</b>	<b>Marks</b>
1(a)	D	<b>1</b>
1(b)	C	<b>1</b>
1(c)	B	<b>1</b>
1(d)	C	<b>1</b>
1(e)	C	<b>1</b>
1(f)	A	<b>1</b>
1(g)	D	<b>1</b>
1(h)	B	<b>1</b>
1(i)	B	<b>1</b>
1(j)	A	<b>1</b>

Question	Answer	Marks															
2(a)	The amount owed by the business to the owner. The funds put into the business/contributed by the owner (plus profits net of drawings). Any one for <b>(1)</b> mark	<b>1</b>															
2(b)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 40%;">Principle</td> </tr> <tr> <td>A trader withdraws goods for his own use and records this in the drawings account.</td> <td>Business entity <b>(1)</b></td> </tr> <tr> <td>A book-keeper writes off debts which will not be paid to the business.</td> <td>Prudence/accruals (matching) <b>(1)</b></td> </tr> <tr> <td>An accountant does not include staff morale as an asset in the statement of financial position.</td> <td>Money measurement <b>(1)</b></td> </tr> <tr> <td>A business uses the double entry system of book-keeping to record transactions.</td> <td>Duality <b>(1)</b></td> </tr> </table>		Principle	A trader withdraws goods for his own use and records this in the drawings account.	Business entity <b>(1)</b>	A book-keeper writes off debts which will not be paid to the business.	Prudence/accruals (matching) <b>(1)</b>	An accountant does not include staff morale as an asset in the statement of financial position.	Money measurement <b>(1)</b>	A business uses the double entry system of book-keeping to record transactions.	Duality <b>(1)</b>	<b>4</b>					
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2(c)	Nominal (general) ledger	<b>1</b>															
2(d)	(Limited) company	<b>1</b>															
2(e)	Items which a business owns or which are owed to the business are known as ASSETS.	<b>1</b>															
2(f)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">document</th> <th style="width: 35%;">reason for issue</th> <th style="width: 35%;">name of person issuing document</th> </tr> </thead> <tbody> <tr> <td>invoice</td> <td><i>to record goods sold on credit</i></td> <td><i>Jake</i></td> </tr> <tr> <td>debit note</td> <td>to ask for reduction in invoice <b>(1)</b></td> <td>Rashida <b>(1)</b></td> </tr> <tr> <td>credit note</td> <td>to accept request for reduction in invoice <b>(1)</b></td> <td>Jake <b>(1)</b></td> </tr> <tr> <td>statement of account</td> <td>to summarise transactions for the month <b>(1)</b></td> <td>Jake <b>(1)</b></td> </tr> </tbody> </table>	document	reason for issue	name of person issuing document	invoice	<i>to record goods sold on credit</i>	<i>Jake</i>	debit note	to ask for reduction in invoice <b>(1)</b>	Rashida <b>(1)</b>	credit note	to accept request for reduction in invoice <b>(1)</b>	Jake <b>(1)</b>	statement of account	to summarise transactions for the month <b>(1)</b>	Jake <b>(1)</b>	<b>6</b>
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Question	Answer		Marks
2(g)		True or False	<b>3</b>
	Work in progress may appear in Jake's manufacturing account.	True <b>(1)</b>	
	Prime cost appears in Jake's income statement.	False <b>(1)</b>	
	Jake's business is a service business.	False <b>(1)</b>	

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3(a)	A bank statement is a copy of the customer’s account as it appears in the books of the bank.	1																																																												
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3(d)	A loan is of fixed amount but an overdraft is of varying amount. A loan is for a fixed term but an overdraft may be paid back at any time. A loan may require security but an overdraft may be unsecured. A loan may have a fixed rate of interest but an overdraft will have a variable rate. Any two for <b>(1)</b> each	<b>2</b>
3(e)	Non-current liabilities	<b>1</b>

Question	Answer	Marks
4(a)	$\frac{(17\,040 - 12\,780)}{42\,600} \times 100 = 10\%$ <b>(1)</b> <b>(1)</b> <b>OF</b>	<b>3</b>
4(b)	1 May 2015: Cash book <b>(1)</b>  1 August 2016: 1 Nominal (general) journal <b>(1)</b> 2 Cash book <b>(1)</b>	<b>3</b>

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4(f)	<p>Reducing (diminishing) balance method <b>(1)</b> Annual percentage rate <b>(1)</b> is applied to the net book value <b>(1)</b> of the asset. <b>OR</b> Revaluation method <b>(1)</b> The difference between the opening and closing valuations is taken <b>(1)</b> and adjusted for any purchases or disposals <b>(1)</b></p>			<b>3</b>																					

Question	Answer			Marks
4(g)		capital expenditure	revenue expenditure	<b>4</b>
	cost of vehicle	✓ (1)		
	number plates	✓ (1)		
	fuel		✓ (1)	
	insurance of vehicle		✓ (1)	
4(h)	Capital introduced Receipt of loan Proceeds of sale of non-current asset Any one for <b>(1)</b> mark			<b>1</b>



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6(e)	<p>Samara has a debit balance on her current account <b>(1)</b> which means that she owes funds to the business. <b>(1)</b></p> <p>Samara's drawings are greater than her total allocation of profit, <b>(1)</b> which means she is reducing the capital of the business. <b>(1)</b></p> <p>The partnership agreement could be amended <b>(1)</b> to introduce a partner's salary/interest on drawings/change in the profit sharing ratio. <b>(1)</b></p> <p>Amina has had to introduce additional capital <b>(1)</b> in order to run the day to day business/cover what Samara has taken as drawings. <b>(1)</b></p> <p>One mark for basic point, plus one for development to <b>max 4</b></p>	<b>4</b>