



Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

ACCOUNTING

0452/22

Paper 2

March 2019

MARK SCHEME

Maximum Mark: 120

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.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the March 2019 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

This document consists of **11** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Question	Answer	Marks																																															
1(a)	<div>Narinder General Ledger Purchases account</div> <table><tr><td>Date 2019 Jan 5</td><td>Details Bank</td><td>\$ (1)</td><td>1 890</td><td>Date</td><td>Details</td><td>\$</td></tr></table> <div>Sales account</div> <table><tr><td>Date</td><td>Details</td><td>\$</td><td>Date 2019 Jan 30 31</td><td>Details Cash Total for month</td><td>\$ (1)</td></tr><tr><td></td><td></td><td></td><td></td><td>(1)</td><td>1 620 1 980</td></tr></table> <div>Wages account</div> <table><tr><td>Date 2019 Jan 31</td><td>Details Cash</td><td>\$ (1)</td><td>1 334</td><td>Date</td><td>Details</td><td>\$</td></tr></table> <div>Drawings account</div> <table><tr><td>Date 2019 Jan 31</td><td>Details Cash</td><td>\$ (1)</td><td>120</td><td>Date</td><td>Details</td><td>\$</td></tr></table> <div>Sales returns account</div> <table><tr><td>Date 2019 Jan 31</td><td>Details Total for month</td><td>\$ (1)</td><td>140</td><td>Date</td><td>Details</td><td>\$</td></tr></table> <div>Discount allowed account</div> <table><tr><td>Date 2019 Jan 31</td><td>Details Total for month</td><td>\$ (1)</td><td>26</td><td>Date</td><td>Details</td><td>\$</td></tr></table>	Date 2019 Jan 5	Details Bank	\$ (1)	1 890	Date	Details	\$	Date	Details	\$	Date 2019 Jan 30 31	Details Cash Total for month	\$ (1)					(1)	1 620 1 980	Date 2019 Jan 31	Details Cash	\$ (1)	1 334	Date	Details	\$	Date 2019 Jan 31	Details Cash	\$ (1)	120	Date	Details	\$	Date 2019 Jan 31	Details Total for month	\$ (1)	140	Date	Details	\$	Date 2019 Jan 31	Details Total for month	\$ (1)	26	Date	Details	\$	13
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Question	Answer	Marks												
1(a)	<div>Sales Ledger Amrik account</div> <table><tr><td>Date 2019 Jan 1 17</td><td>Details Sales (1) Bank (dis chq) (1)</td><td>\$ 540 540</td><td>Date 2019 Jan 10</td><td>Details Bank (1)</td><td>\$ 540</td></tr></table> <div>Noor account</div> <table><tr><td>Date 2019 Jan 16</td><td>Details Sales (1)</td><td>\$ 1 440</td><td>Date 2019 Jan 18 28</td><td>Details Returns (1) Bank }(1) Discount }</td><td>\$ 140 1 274 26</td></tr></table>	Date 2019 Jan 1 17	Details Sales (1) Bank (dis chq) (1)	\$ 540 540	Date 2019 Jan 10	Details Bank (1)	\$ 540	Date 2019 Jan 16	Details Sales (1)	\$ 1 440	Date 2019 Jan 18 28	Details Returns (1) Bank }(1) Discount }	\$ 140 1 274 26	
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Date 2019 Jan 16	Details Sales (1)	\$ 1 440	Date 2019 Jan 18 28	Details Returns (1) Bank }(1) Discount }	\$ 140 1 274 26									
1(b)	<div>1 February 2018 Balance b/d This is the amount of the provision for doubtful debts at the start of the financial year (1) Name of account: provision for doubtful debts account for the previous year }(1) Debit or credit: debit }</div> <div>31 January 2019 Balance c/d This is the total of the provision for doubtful debts at the end of the year/the provision required for the following financial year (1) Name of account: provision for doubtful debts account for the following year }(1) Debit or credit: credit }</div>	4												
1(c)(i)	This is the difference between the opening and closing provision for doubtful debts/the amount which is needed to increase the provision to the required amount (1)	1												
1(c)(ii)	Decrease profit	1												

Question	Answer	Marks																																																																																																
2(a)	<div><div>Aysha Rent payable account</div><table><tr><th>Date</th><th>Details</th><th>\$</th><th>Date</th><th>Details</th><th>\$</th></tr><tr><td>2018</td><td></td><td></td><td>2019</td><td></td><td></td></tr><tr><td>Feb 1</td><td>Balance b/d (1)</td><td>1 000</td><td>Jan 31</td><td>Income statement (1)</td><td>6 000</td></tr><tr><td>Apl 30</td><td>Bank }(1)</td><td>3 000</td><td></td><td>Balance c/d</td><td>1 500</td></tr><tr><td>Oct 31</td><td>Bank }</td><td>3 500</td><td></td><td></td><td>7 500</td></tr><tr><td></td><td></td><td>7 500</td><td></td><td></td><td></td></tr><tr><td>2019</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Feb 1</td><td>Balance b/d (1)OF</td><td>1 500</td><td></td><td></td><td></td></tr></table></div> <div><div>Aysha Rent receivable account</div><table><tr><th>Date</th><th>Details</th><th>\$</th><th>Date</th><th>Details</th><th>\$</th></tr><tr><td>2018</td><td></td><td></td><td>2018</td><td></td><td></td></tr><tr><td>Feb 1</td><td>Balance b/d (1)</td><td>600</td><td>Mar 31</td><td>Cash }(1)</td><td>800</td></tr><tr><td>2019</td><td></td><td></td><td>May 1</td><td>Bank }</td><td>2 000</td></tr><tr><td>Jan 31</td><td>Income statement (1)</td><td>2 400</td><td>2019</td><td></td><td></td></tr><tr><td></td><td></td><td>3 000</td><td>Jan 31</td><td>Balance c/d</td><td>200</td></tr><tr><td>2019</td><td></td><td></td><td></td><td></td><td>3 000</td></tr><tr><td>Feb 1</td><td>Balance b/d (1)OF</td><td>200</td><td></td><td></td><td></td></tr></table></div> <div>+ (1) dates</div>	Date	Details	\$	Date	Details	\$	2018			2019			Feb 1	Balance b/d (1)	1 000	Jan 31	Income statement (1)	6 000	Apl 30	Bank }(1)	3 000		Balance c/d	1 500	Oct 31	Bank }	3 500			7 500			7 500				2019						Feb 1	Balance b/d (1)OF	1 500				Date	Details	\$	Date	Details	\$	2018			2018			Feb 1	Balance b/d (1)	600	Mar 31	Cash }(1)	800	2019			May 1	Bank }	2 000	Jan 31	Income statement (1)	2 400	2019					3 000	Jan 31	Balance c/d	200	2019					3 000	Feb 1	Balance b/d (1)OF	200				9
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2(b)	<div>February 6 Invoice (1) Aysha (1)</div> <div>12 Debit note (1) Ravi (1)</div> <div>14 Credit note (1) Aysha (1)</div>	6																																																																																																
2(c)	<div>Statement of account (1)</div> <div>Remind Ravi of the amount due/show the balance owing at the month end</div> <div>Summarise the transactions for the month</div> <div>Allow Ravi to check his records against it</div> <div>Any 1 reason (1)</div>	2																																																																																																

Question	Answer	Marks									
2(d)	<div>Ravi Aysha account</div> <table><tr><td>Date 2019 Feb14 21 28</td><td>Details Returns (1) Bank } (1) Discount } Balance c/d</td><td>\$ 160 390 10 425 985</td><td>Date 2019 Feb 1 6 2019 Mar 1</td><td>Details Balance b/d (1) Purchases (1) Carriage (1) Balance b/d (1)OF</td><td>\$ 400 560 25 985 425</td></tr></table>	Date 2019 Feb14 21 28	Details Returns (1) Bank } (1) Discount } Balance c/d	\$ 160 390 10 425 985	Date 2019 Feb 1 6 2019 Mar 1	Details Balance b/d (1) Purchases (1) Carriage (1) Balance b/d (1)OF	\$ 400 560 25 985 425	6			
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2(e)	<div>Ravi Journal</div> <table><tr><td></td><td>Debit \$</td><td>Credit \$</td></tr><tr><td>Aysha (purchases ledger account) (1) Aysha (sales ledger account) (1)</td><td>230</td><td>230</td></tr><tr><td>Transfer of balance on a sales ledger to an account in the purchases ledger (1)</td><td></td><td></td></tr></table>		Debit \$	Credit \$	Aysha (purchases ledger account) (1) Aysha (sales ledger account) (1)	230	230	Transfer of balance on a sales ledger to an account in the purchases ledger (1)			3
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3(a)	Bari and Nada Draft Statement of Financial Position at 31 December 2018				13																																																																																																																																																																				
<table><tr><td>Assets</td><td>\$</td><td>\$</td><td>\$</td><td></td></tr><tr><td>Non-current assets</td><td></td><td></td><td></td><td></td></tr><tr><td>Premises</td><td></td><td></td><td>220 000</td><td></td></tr><tr><td>Other non-current assets</td><td></td><td></td><td>92 650</td><td></td></tr><tr><td></td><td></td><td></td><td>312 650</td><td>(1)</td></tr><tr><td>Current assets</td><td></td><td></td><td></td><td></td></tr><tr><td>Trade receivables</td><td></td><td>25 500</td><td></td><td></td></tr><tr><td>Less Provision for doubtful debts</td><td></td><td>510</td><td>24 990</td><td>(1)</td></tr><tr><td>Other receivables</td><td></td><td></td><td>910</td><td></td></tr><tr><td>Bank</td><td></td><td></td><td>21 890</td><td></td></tr><tr><td></td><td></td><td></td><td>47 790</td><td>(1)</td></tr><tr><td>Total assets</td><td></td><td></td><td>360 440</td><td></td></tr><tr><td>Capital and liabilities</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>Bari</td><td>Nada</td><td>Total</td><td></td></tr><tr><td>Capital accounts</td><td>150 000</td><td>100 000</td><td>250 000</td><td>(1)</td></tr><tr><td>Current accounts</td><td></td><td></td><td></td><td></td></tr><tr><td>Balance 1 Jan 2018</td><td>950</td><td>(150)</td><td></td><td>(1)</td></tr><tr><td>Interest on capital</td><td>7 500</td><td>5 000</td><td></td><td>(1)</td></tr><tr><td>Partner's salary</td><td>20 000</td><td></td><td></td><td>(1)</td></tr><tr><td>Share of profit</td><td>2 718</td><td>1 812</td><td></td><td>(1)</td></tr><tr><td></td><td>31 168</td><td>6 662</td><td></td><td></td></tr><tr><td>Drawings</td><td>11 000</td><td>13 000</td><td></td><td>(1)</td></tr><tr><td>Interest on drawings</td><td>660</td><td>780</td><td></td><td>(1)</td></tr><tr><td></td><td>11 660</td><td>13 780</td><td></td><td></td></tr><tr><td></td><td>19 508</td><td>(7 118)</td><td>12 390</td><td>(1)</td></tr><tr><td></td><td></td><td></td><td>262 390</td><td></td></tr><tr><td>Non-current liabilities</td><td></td><td></td><td></td><td></td></tr><tr><td>Loan (repayable 2025)</td><td></td><td></td><td>80 000</td><td>(1)</td></tr><tr><td>Current Liabilities</td><td></td><td></td><td></td><td></td></tr><tr><td>Trade payables</td><td></td><td></td><td>17 250</td><td></td></tr><tr><td>Other payables</td><td></td><td></td><td>800</td><td></td></tr><tr><td></td><td></td><td></td><td>18 050</td><td>(1)</td></tr><tr><td>Total capital and liabilities</td><td></td><td></td><td>360 440</td><td></td></tr></table>					Assets	\$	\$	\$		Non-current assets					Premises			220 000		Other non-current assets			92 650					312 650	(1)	Current assets					Trade receivables		25 500			Less Provision for doubtful debts		510	24 990	(1)	Other receivables			910		Bank			21 890					47 790	(1)	Total assets			360 440		Capital and liabilities						Bari	Nada	Total		Capital accounts	150 000	100 000	250 000	(1)	Current accounts					Balance 1 Jan 2018	950	(150)		(1)	Interest on capital	7 500	5 000		(1)	Partner's salary	20 000			(1)	Share of profit	2 718	1 812		(1)		31 168	6 662			Drawings	11 000	13 000		(1)	Interest on drawings	660	780		(1)		11 660	13 780				19 508	(7 118)	12 390	(1)				262 390		Non-current liabilities					Loan (repayable 2025)			80 000	(1)	Current Liabilities					Trade payables			17 250		Other payables			800					18 050	(1)	Total capital and liabilities			360 440	
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3(b)	<p>Capital expenditure Money spend on acquiring, improving and installing non-current assets (1) Example Purchase of any non-current asset, legal costs for purchase of premises, cost of installation of non-current asset, cost of carriage on delivery of non-current asset, etc. Any suitable example (1)</p> <p>Capital receipt Amounts received which do not form part of the day-to-day trading activities (1) Example Receipt of loan, additional capital, proceeds of sale of non-current asset at book value, etc. Any suitable example (1)</p> <p>Revenue expenditure Money spent on the running of a business on a day-to-day basis (1) Example Any expense such as wages, rent, insurance, etc. Any suitable example (1)</p> <p>Revenue receipt Amounts received in the day-to-day trading activities and other items of income(1) Example Sales, commission received, interest received, rent received, etc. Any suitable example (1)</p>	8																		
3(c)(i)	<table> <tr> <td></td><td>\$</td><td></td></tr> <tr> <td>Cost of premises</td><td>89 000</td><td></td></tr> <tr> <td>Legal fees</td><td>5 050</td><td>(1)</td></tr> <tr> <td>Decoration costs</td><td>1 650</td><td>(1)</td></tr> <tr> <td></td><td><u>95 700</u></td><td>(1)OF</td></tr> </table>		\$		Cost of premises	89 000		Legal fees	5 050	(1)	Decoration costs	1 650	(1)		<u>95 700</u>	(1)OF	3			
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	<u>32 490</u>	(1)OF																		

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4(a)	<div>Jai</div> <div>Corrected Trial Balance at 31 December 2019</div> <table><tr><th></th><th>Debit \$</th><th>Credit \$</th><th></th></tr><tr><td>Revenue</td><td></td><td>196 000</td><td></td></tr><tr><td>Purchases</td><td>116 500</td><td></td><td></td></tr><tr><td>Inventory 1 January 2018</td><td>9 410</td><td></td><td>(1)</td></tr><tr><td>Purchases returns</td><td></td><td>4 500</td><td>(1)</td></tr><tr><td>Premises at cost</td><td>110 500</td><td></td><td></td></tr><tr><td>Fixtures and fittings at cost</td><td>12 000</td><td></td><td></td></tr><tr><td>Motor vehicle at cost (16 190 – 190)</td><td>16 000</td><td></td><td>(1)</td></tr><tr><td>Provision for depreciation of fixtures and fittings</td><td></td><td>4 320</td><td>(1)</td></tr><tr><td>Provision for depreciation of motor vehicle</td><td></td><td>7 000</td><td></td></tr><tr><td>Bank overdraft (1180 + 34)</td><td></td><td>1 214</td><td>(1)</td></tr><tr><td>Trade receivables (18 000 – 100)</td><td>17 900</td><td></td><td>(1)</td></tr><tr><td>Trade payables</td><td></td><td>9 383</td><td></td></tr><tr><td>Office expenses</td><td>16 121</td><td></td><td></td></tr><tr><td>Discount received</td><td></td><td>2 100</td><td>(1)</td></tr><tr><td>Discount allowed</td><td>1 900</td><td></td><td></td></tr><tr><td>Drawings</td><td>3 100</td><td></td><td>(1)</td></tr><tr><td>Capital 1 January 2018</td><td></td><td>79 100</td><td></td></tr><tr><td>Motor expenses</td><td>190</td><td></td><td>(1)</td></tr><tr><td>Bank charges</td><td>34</td><td></td><td>(1)</td></tr><tr><td>Bad debts</td><td>100</td><td></td><td>(1)</td></tr><tr><td>Suspense</td><td></td><td>138</td><td>(1)</td></tr><tr><td></td><td>303 755</td><td>303 755</td><td>(1) OF</td></tr><tr><td></td><td></td><td></td><td></td></tr></table>		Debit \$	Credit \$		Revenue		196 000		Purchases	116 500			Inventory 1 January 2018	9 410		(1)	Purchases returns		4 500	(1)	Premises at cost	110 500			Fixtures and fittings at cost	12 000			Motor vehicle at cost (16 190 – 190)	16 000		(1)	Provision for depreciation of fixtures and fittings		4 320	(1)	Provision for depreciation of motor vehicle		7 000		Bank overdraft (1180 + 34)		1 214	(1)	Trade receivables (18 000 – 100)	17 900		(1)	Trade payables		9 383		Office expenses	16 121			Discount received		2 100	(1)	Discount allowed	1 900			Drawings	3 100		(1)	Capital 1 January 2018		79 100		Motor expenses	190		(1)	Bank charges	34		(1)	Bad debts	100		(1)	Suspense		138	(1)		303 755	303 755	(1) OF					
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4(b)	<table><tr><th rowspan="3">Error</th><th colspan="6">Entry required to correct the error</th></tr><tr><th colspan="3">Debit</th><th colspan="3">Credit</th></tr><tr><th>Account</th><th>\$</th><th></th><th>Account</th><th>\$</th><th></th></tr><tr><td>Error 4</td><td>Office expenses</td><td>21</td><td></td><td>Suspense</td><td>21</td><td></td></tr><tr><td>Error 5</td><td>Suspense</td><td>9</td><td>(1)</td><td>Meena</td><td>9</td><td>(1)</td></tr><tr><td>Error 6</td><td>Purchases returns</td><td>450</td><td>(1)</td><td>Suspense</td><td>450</td><td>(1)</td></tr><tr><td>Error 7</td><td>Suspense</td><td>600</td><td>(1)</td><td>Sales</td><td>300</td><td>(1)</td></tr><tr><td></td><td></td><td></td><td></td><td>K Limited</td><td>300</td><td>(1)</td></tr></table>	Error	Entry required to correct the error						Debit			Credit			Account	\$		Account	\$		Error 4	Office expenses	21		Suspense	21		Error 5	Suspense	9	(1)	Meena	9	(1)	Error 6	Purchases returns	450	(1)	Suspense	450	(1)	Error 7	Suspense	600	(1)	Sales	300	(1)					K Limited	300	(1)	7																																										
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Question	Answer							Marks
4(c)		effect on profit for the year			effect on assets			8
		over-stated	under-stated	no effect	over-stated	under-stated	no effect	
	4	✓(1)					✓(1)	
	5			✓(1)	✓(1)			
	6	✓(1)					✓(1)	
	7		✓(1)		✓(1)			

Question	Answer	Marks
5(a)	Inventory not sold as quickly in second year/inventory turnover reduced/ decreased/went down/fell from 9.45 to 8.17 May be the result of a slowing of sales activity/falling demand May be as a result of holding increased levels of inventory Money tied up in inventory for longer Or other suitable comments Any 2 comments (1) each	2
5(b)	Will not obtain cash discount May be charged interest on late payment Relationship with suppliers damaged May be using the funds for other purposes Or other suitable comments Any 2 comments (1) each	2
5(c)	Credit customers taking longer to pay their accounts Affects ability to pay credit suppliers Money is not available for other purposes Credit customers will not qualify for cash discount May be result of poor credit control Greater risk of bad debts Can charge interest on late payments Or other suitable comments Any 2 comments (1) each	2
5(d)(i)	$(31\,200 + 30\,900 + 14\,000 + 100) : (32\,000 + 10\,000)$ $76\,200 : 42\,000$ (1) $1.81 : 1$ (1)	2
5(d)(ii)	$(30\,900 + 14\,000 + 100) : (32\,000 + 10\,000)$ $45\,000 : 42\,000$ (1) $1.07 : 1$ (1)	2

Question	Answer	Marks																				
5(e)	Increase in inventory Increase in current liabilities Decrease in trade receivables Increased expenditure on non-current assets Repayment of long-term liabilities Decrease in bank balance/decrease in cash Increase in dividends Any 1 reason (1)	1																				
5(f)	<table><tr><td></td><td>increase</td><td>decrease</td><td>no effect</td></tr><tr><td>Proposal 1</td><td></td><td>✓(1)</td><td></td></tr><tr><td>Proposal 2</td><td></td><td></td><td>✓(1)</td></tr><tr><td>Proposal 3</td><td>✓(1)</td><td></td><td></td></tr><tr><td>Proposal 4</td><td>✓(1)</td><td></td><td></td></tr></table>		increase	decrease	no effect	Proposal 1		✓(1)		Proposal 2			✓(1)	Proposal 3	✓(1)			Proposal 4	✓(1)			4
	increase	decrease	no effect																			
Proposal 1		✓(1)																				
Proposal 2			✓(1)																			
Proposal 3	✓(1)																					
Proposal 4	✓(1)																					
5(g)(i)	Current ratio will increase (1) Current liabilities decrease: no change in current assets (1)	2																				
5(g)(ii)	Current ratio will increase (1) Current liabilities decrease: current assets decrease by a smaller amount (1)	2																				