



# Cambridge IGCSE™

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**ACCOUNTING**

**0452/22**

Paper 2

**February/March 2023**

MARK SCHEME

Maximum Mark: 100

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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.

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 February/March 2023 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

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This document consists of **15** 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.

**PUBLISHED**

**Social Science-Specific Marking Principles  
(for point-based marking)**

**1 Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- a** DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- b** DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- c** DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons ...).
- d** DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- e** DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
- f** DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
- g** DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

**2 Presentation of mark scheme:**

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

**3 Calculation questions:**

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

**4 Annotation:**

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Question	Answer	Marks																																																																																																														
1(a)	<div><div>Saira Cash Book</div><table><tr><th>Date</th><th>Details</th><th>Disc All'd</th><th>Cash</th><th>Bank</th><th>Date</th><th>Details</th><th>Disc Rec</th><th>Cash</th><th>Bank</th></tr><tr><td>2023</td><td></td><td>\$</td><td>\$</td><td>\$</td><td>2023</td><td></td><td>\$</td><td>\$</td><td>\$</td></tr><tr><td>Jan 1</td><td>Balance b/d</td><td></td><td>110</td><td>713</td><td>Jan 4</td><td>Jai (1)</td><td>7</td><td></td><td>343</td></tr><tr><td>2</td><td>Rent receivable (1)</td><td></td><td></td><td>360</td><td>7</td><td>Motor expenses (1)</td><td></td><td>33</td><td></td></tr><tr><td>13</td><td>Sales (1)</td><td></td><td></td><td>395</td><td>17</td><td>David (1)</td><td>6</td><td></td><td>194</td></tr><tr><td>20</td><td>Ivan (1)</td><td>12</td><td></td><td>388</td><td>27</td><td>Cash (1)</td><td></td><td></td><td>150</td></tr><tr><td>27</td><td>Bank (1)</td><td></td><td>150</td><td></td><td>29</td><td>Wages (1)</td><td></td><td>124</td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>31</td><td>Balances c/d</td><td></td><td>103</td><td>1 169</td></tr><tr><td></td><td></td><td>12</td><td>260</td><td>1856</td><td></td><td></td><td>13</td><td>260</td><td>1 856</td></tr><tr><td>Feb 1</td><td>Balances b/d</td><td></td><td>103</td><td>1169</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td>(1)OF</td><td>(1)OF</td><td></td><td></td><td></td><td></td><td></td></tr></table><div>+ (1) OF both discount totals + (1) dates</div></div>	Date	Details	Disc All'd	Cash	Bank	Date	Details	Disc Rec	Cash	Bank	2023		\$	\$	\$	2023		\$	\$	\$	Jan 1	Balance b/d		110	713	Jan 4	Jai (1)	7		343	2	Rent receivable (1)			360	7	Motor expenses (1)		33		13	Sales (1)			395	17	David (1)	6		194	20	Ivan (1)	12		388	27	Cash (1)			150	27	Bank (1)		150		29	Wages (1)		124							31	Balances c/d		103	1 169			12	260	1856			13	260	1 856	Feb 1	Balances b/d		103	1169									(1)OF	(1)OF						13
Date	Details	Disc All'd	Cash	Bank	Date	Details	Disc Rec	Cash	Bank																																																																																																							
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1(b)	<table><tr><td>Items to be adjusted</td><td>Effect on bank balance in cash book</td><td>Effect on capital</td></tr><tr><td>Bank charges</td><td>decrease</td><td>decrease</td></tr><tr><td>Credit transfer from Saira's personal bank account</td><td>increase (1)</td><td>increase (1)</td></tr><tr><td>The cheque from Ivan was dishonoured</td><td>decrease (1)</td><td>no effect (1)</td></tr></table>	Items to be adjusted	Effect on bank balance in cash book	Effect on capital	Bank charges	decrease	decrease	Credit transfer from Saira's personal bank account	increase (1)	increase (1)	The cheque from Ivan was dishonoured	decrease (1)	no effect (1)	4																																																																																																		
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Question	Answer				Marks
1(c)	User	Reason			3
	Bank manager	to see if she will be able to repay loan/overdraft/interest (1)			
	Government	to see if she will be able to pay any tax which becomes due (1)			
	Trade payables	to see if she will be able to pay what she owes/consider whether to allow credit terms (1)			
	Accept other valid points				
2(a)	Rai Journal				10
Error number	Details	Debit \$	Credit \$		
1	Wages Suspense	200 (1)	200 (1)		
2	Purchases Stella	494 (1)	494 (1)		
3	Sales Rent	100 (1)	100 (1)		
4	Suspense Motor expenses	75 (1)	75 (1)		
5	Jasper Suspense	27 (1)	27 (1)		

Question	Answer						Marks																								
2(b)	<div>Rai Suspense account</div> <table><tr><td>Date 2023 Jan 31</td><td>Details</td><td>\$</td><td>Date 2023 Jan 31</td><td>Details</td><td>\$</td></tr><tr><td></td><td>Difference on trial balance</td><td>(1) 152</td><td></td><td>Wages</td><td>(1) 200</td></tr><tr><td></td><td>Motor expenses</td><td>(1) 75</td><td></td><td>Jasper</td><td>(1) 27</td></tr><tr><td></td><td></td><td>227</td><td></td><td></td><td>227</td></tr></table>						Date 2023 Jan 31	Details	\$	Date 2023 Jan 31	Details	\$		Difference on trial balance	(1) 152		Wages	(1) 200		Motor expenses	(1) 75		Jasper	(1) 27			227			227	4
Date 2023 Jan 31	Details	\$	Date 2023 Jan 31	Details	\$																										
	Difference on trial balance	(1) 152		Wages	(1) 200																										
	Motor expenses	(1) 75		Jasper	(1) 27																										
		227			227																										
2(c)	<table><tr><td></td><td>\$</td><td>\$</td></tr><tr><td>Draft profit</td><td>9 800</td><td></td></tr><tr><td>Error 1</td><td>(200) (1)</td><td></td></tr><tr><td>Error 2</td><td><u>(494) (1)</u></td><td><u>(694)</u></td></tr><tr><td></td><td></td><td>9 106</td></tr><tr><td>Error 4</td><td></td><td>75 (1)</td></tr><tr><td>Corrected profit</td><td><u>9 181</u> (1)OF</td><td></td></tr></table>							\$	\$	Draft profit	9 800		Error 1	(200) (1)		Error 2	<u>(494) (1)</u>	<u>(694)</u>			9 106	Error 4		75 (1)	Corrected profit	<u>9 181</u> (1)OF		4			
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Error 4		75 (1)																													
Corrected profit	<u>9 181</u> (1)OF																														
2(d)(i)	Assist in the preparation of financial statements (1)						1																								



Question	Answer	Marks
2(d)(ii)	<p>Opening entries <b>(1)</b></p> <p>Purchase of non-current assets on credit <b>(1)</b></p> <p>Sale of non-current assets on credit <b>(1)</b></p> <p>Non-regular transactions <b>(1)</b></p> <p>Year-end transfers to income statement <b>(1)</b></p> <p>Recording depreciation <b>(1)</b></p> <p>Writing off irrecoverable debts <b>(1)</b></p> <p>Creation of/adjustment to provision for doubtful debts <b>(1)</b></p> <p>Contra entries between sales and purchases ledgers <b>(1)</b></p> <p>Drawings of goods/non-current assets <b>(1)</b></p> <p><b>Max (1)</b></p>	<b>1</b>

Question	Answer	Marks																																																						
3(a)	<div>Lucas Sales ledger control account</div> <table><tr><th>Date 2023</th><th>Details</th><th>\$</th><th>Date 2023</th><th>Details</th><th>\$</th></tr><tr><td>Jan 1</td><td>Balance b/d</td><td>14 940</td><td>Jan 31</td><td>Returns inwards</td><td>(1) 920</td></tr><tr><td>31</td><td>Sales</td><td>(1) 12 736</td><td></td><td>Cash</td><td>} 685</td></tr><tr><td></td><td></td><td></td><td></td><td>Bank</td><td>} (1) 10 620</td></tr><tr><td></td><td></td><td></td><td></td><td>Irrecoverable debts</td><td>(1) 140</td></tr><tr><td></td><td></td><td></td><td></td><td>Contra</td><td>(1) 180</td></tr><tr><td></td><td></td><td></td><td></td><td>Balance c/d</td><td>15 131</td></tr><tr><td></td><td></td><td>27 676</td><td></td><td></td><td>27 676</td></tr><tr><td>Feb 1</td><td>Balance b/d</td><td>(1)OF 15 131</td><td></td><td></td><td></td></tr></table>	Date 2023	Details	\$	Date 2023	Details	\$	Jan 1	Balance b/d	14 940	Jan 31	Returns inwards	(1) 920	31	Sales	(1) 12 736		Cash	} 685					Bank	} (1) 10 620					Irrecoverable debts	(1) 140					Contra	(1) 180					Balance c/d	15 131			27 676			27 676	Feb 1	Balance b/d	(1)OF 15 131				6
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Feb 1	Balance b/d	(1)OF 15 131																																																						
3(b)	<div>Lucas Purchases ledger control account</div> <table><tr><th>Date 2023</th><th>Details</th><th>\$</th><th>Date 2023</th><th>Details</th><th>\$</th></tr><tr><td>Jan 31</td><td>Returns outwards</td><td>(1) 463</td><td>Jan 1</td><td>Balance b/d</td><td>8 450</td></tr><tr><td></td><td>Bank</td><td>(1) 6 675</td><td>31</td><td>Purchases</td><td>(1) 7 325</td></tr><tr><td></td><td>Discount received</td><td>(1) 210</td><td></td><td>Interest</td><td>(1) 166</td></tr><tr><td></td><td>Contra</td><td>(1) 180</td><td></td><td></td><td></td></tr><tr><td></td><td>Balance c/d</td><td>8 413</td><td></td><td></td><td>15 941</td></tr><tr><td></td><td></td><td>15 941</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td>Feb 1</td><td>Balance b/d</td><td>(1)OF 8 413</td></tr></table>	Date 2023	Details	\$	Date 2023	Details	\$	Jan 31	Returns outwards	(1) 463	Jan 1	Balance b/d	8 450		Bank	(1) 6 675	31	Purchases	(1) 7 325		Discount received	(1) 210		Interest	(1) 166		Contra	(1) 180					Balance c/d	8 413			15 941			15 941							Feb 1	Balance b/d	(1)OF 8 413	7						
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3(c)	<p>Assist in locating errors (1)</p> <p>Are proof of the arithmetical accuracy of the ledgers they control (1)</p> <p>Provide the total of trade receivables and trade payables immediately (1)</p> <p>Allow draft financial statements to be prepared quickly (1)</p> <p>Provide a summary of transactions affecting trade receivables and trade payables (1)</p> <p>May help to reduce fraud (1)</p> <p><b>Max (2)</b></p>	2																																																						

Question	Answer	Marks
3(d)	<p><b>For selling the equipment to pay supplier</b>            Release funds to pay most of amount outstanding/increase liquidity (1)            Would reduce any interest supplier may charge (1)            Would maintain good relationship with supplier (1)            Would earn a profit on disposal (1)            May not affect the ability of the business to earn a profit (1)            New equipment could be purchased when funds are available (1)  <b>Max (2)</b></p> <p><b>Against selling the equipment to pay supplier</b>            May have to pay interest to the supplier (1)            Will damage relationship with supplier if do not pay when requested (1)            Would not provide enough to pay the supplier in full/will have to pay rest from cash/bank(1)            May not be possible to operate efficiently without the equipment (1)            Would cost more to replace the equipment than the amount owing to the supplier (1)            Could consider obtaining money from elsewhere – trade receivables, bank overdraft, introducing capital etc.  <b>Max (2)</b></p> <p><b>Accept other valid points</b></p> <p><b>Recommendation (1)</b></p>	5

Question	Answer	Marks
4(a)	<p>Gross margin [Cost of sales = 3750 + 62 305 – 7500 = 58 555] Gross profit = 98 000 – 58 555 = 39 445 <b>(1)</b></p> <p><math>\frac{39\,445}{98\,000} \times \frac{100}{1}</math> <b>(1)OF whole formula = 40.25% (1)OF</b></p> <p>Profit margin Profit for year = 39 445<b>OF</b> – 31 188 + 4630 = 12 887<b>OF</b></p> <p><math>\frac{12\,887}{98\,000}</math> <b>(1)OF</b> <math>\times \frac{100}{1} = 13.15\%</math> <b>(1)OF</b></p> <p>Rate of inventory turnover <math>\frac{58\,555}{(3750 + 7500) / 2} = \frac{58\,555}{5625}</math> <b>(1)OF = 10.41 times (1)OF</b></p> <p>Liquid (acid test) ratio 9240 : (5365 + 5135) = 9240 : 10 500 <b>(1) whole formula = 0.88:1 (1)OF</b></p>	9
4(b)(i)	<p><b>Answers based on answer to 4 (a)</b> Gross margin has improved <b>(1)</b></p> <p>The selling price has increased/trade discount allowed has decreased <b>(1)</b> Cost of sales has decreased/increase in inventory <b>(1)</b> <b>Max (1)</b></p>	2

Question	Answer	Marks
4(b)(ii)	<p><b>Answers based on answer to 4 (a)</b> The liquid (acid test) ratio has worsened <b>(1)</b></p> <p>More funds are tied up in inventory <b>(1)</b> Increase in current liabilities <b>(1)</b> Decrease in liquid current assets <b>(1)</b> <b>Max (1)</b></p>	<b>2</b>
4(c)	<p><b>For reducing selling price</b> Should increase total quantity sold <b>(1)</b> Reduce inventory <b>(1)</b> Should improve rate of inventory turnover <b>(1)</b> Should reduce the risk of un-saleable inventory (damage/deterioration) <b>(1)</b> May reduce storage costs if have less inventory <b>(1)</b> May increase total cash received from sales/reduce bank overdraft /improve liquid (acid test) ratio <b>(1)</b> <b>Max (2)</b></p> <p><b>Against reducing selling price</b> Would reduce gross margin <b>(1)</b> Less cash received from each unit sold <b>(1)</b> Customer may be unwilling to pay the full price in future <b>(1)</b> <b>Max (2)</b></p> <p><b>Accept other valid points</b></p> <p><b>Recommendation (1)</b></p>	<b>5</b>
4(d)	<p>Need to consider the amount of profit made since the end of the last financial year <b>(1)</b> Need to consider the amount of inventory held at the present date <b>(1)</b></p>	<b>2</b>

Question	Answer	Marks																																																												
5(a)	<div>Samir and Punita</div> <div>Appropriation Account for the year ended 31 December 2022</div> <table><tr><td></td><td>\$</td><td></td><td>\$</td></tr><tr><td>Profit for the year</td><td></td><td></td><td>24 600</td></tr><tr><td>Add Interest on drawings</td><td></td><td></td><td></td></tr><tr><td>Samir</td><td>800</td><td>}</td><td></td></tr><tr><td>Punita</td><td><u>620</u></td><td>} (1)</td><td><u>1 420</u></td></tr><tr><td></td><td></td><td></td><td>26 020</td></tr><tr><td>Less Interest on capital</td><td></td><td></td><td></td></tr><tr><td>Samir</td><td>2 400</td><td>}</td><td></td></tr><tr><td>Punita</td><td><u>2 250</u></td><td>} (1)</td><td></td></tr><tr><td></td><td>4 650</td><td></td><td></td></tr><tr><td>Less Salary – Punita</td><td><u>11 000</u></td><td>(1)</td><td><u>15 650</u></td></tr><tr><td></td><td></td><td></td><td>10 370 (1)OF</td></tr><tr><td>Share of profit</td><td></td><td></td><td></td></tr><tr><td>Samir</td><td>6 222</td><td>(1)OF</td><td></td></tr><tr><td>Punita</td><td><u>4 148</u></td><td>(1)OF</td><td><u>10 370</u></td></tr></table>		\$		\$	Profit for the year			24 600	Add Interest on drawings				Samir	800	}		Punita	<u>620</u>	} (1)	<u>1 420</u>				26 020	Less Interest on capital				Samir	2 400	}		Punita	<u>2 250</u>	} (1)			4 650			Less Salary – Punita	<u>11 000</u>	(1)	<u>15 650</u>				10 370 (1)OF	Share of profit				Samir	6 222	(1)OF		Punita	<u>4 148</u>	(1)OF	<u>10 370</u>	6
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Samir	6 222	(1)OF																																																												
Punita	<u>4 148</u>	(1)OF	<u>10 370</u>																																																											
5(b)	<div>Punita</div> <div>Current account</div> <table><tr><th>Date</th><th>Details</th><th>\$</th><th>Date</th><th>Details</th><th>\$</th></tr><tr><td>2022</td><td></td><td></td><td>2022</td><td></td><td></td></tr><tr><td>Dec 31</td><td>Drawings (1)</td><td>12 400</td><td>Jan 1</td><td>Balance</td><td>8 335</td></tr><tr><td></td><td>Interest on drawings (1) OF</td><td>620</td><td>Dec 31</td><td>b/d</td><td>2 250</td></tr><tr><td></td><td>Balance c/d</td><td>12 713</td><td></td><td>Interest on capital (1) OF</td><td>11 000</td></tr><tr><td></td><td></td><td></td><td></td><td>Salary (1)</td><td>4 148</td></tr><tr><td></td><td></td><td><u>25 733</u></td><td></td><td>Profit share (1) OF</td><td><u>25 733</u></td></tr><tr><td></td><td></td><td></td><td>2023</td><td></td><td></td></tr><tr><td></td><td></td><td></td><td>Jan 1</td><td>Balance b/d (1)OF</td><td>12 713</td></tr></table>	Date	Details	\$	Date	Details	\$	2022			2022			Dec 31	Drawings (1)	12 400	Jan 1	Balance	8 335		Interest on drawings (1) OF	620	Dec 31	b/d	2 250		Balance c/d	12 713		Interest on capital (1) OF	11 000					Salary (1)	4 148			<u>25 733</u>		Profit share (1) OF	<u>25 733</u>				2023						Jan 1	Balance b/d (1)OF	12 713	6						
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			Jan 1	Balance b/d (1)OF	12 713																																																									

Question	Answer				Marks
5(c)		Increase	Decrease	No effect	3
	Partnership profit for the year			✓ (1)	
	Samir's drawings	✓ (1)			
	Samir's interest on drawings	✓ (1)			
5(d)	<p><b>Advantages</b>  Shareholders have limited liability (1)  Company is a separate legal entity (1)  May improve reputation/standing of the business (1)  Continuity of existence (1)  <b>Max (2)</b></p> <p><b>Disadvantages</b>  More complex accounting required/have to produce annual financial statements (1)  More legal requirements (1)  May be costly to establish (1)  May be increased administration costs (1)  <b>Max (2)</b></p> <p><b>Accept other valid points</b></p> <p><b>Recommendation (1)</b></p>				5