



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

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**ACCOUNTING**

**0452/12**

Paper 1

**May/June 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 **11** printed pages.

Question	Answer	Marks
Glossary for Question 1		
(d)	<p>A charge for year</p> <p>B accumulated depreciation</p> <p>C straight line</p> <p>D net book value</p>	
(f)	<p>A <math>426\,000 + 90\,000 - 40\,000 - 25\,000 = 451\,000</math></p> <p>B <math>426\,000 + 90\,000 - 40\,000 = 476\,000</math></p> <p>C <math>426\,000 + 90\,000 - 40\,000 + 25\,000 = 501\,000</math></p> <p>D <math>426\,000 + 90\,000 = 516\,000</math></p>	
(h)	<p>A <math>72\,000 \times 1.6 = 115\,200</math></p> <p>B <math>80\,000 \times 1.6 = 128\,000</math></p> <p>C <math>72\,000 \div 0.4 = 180\,000</math></p> <p>D <math>80\,000 \div 0.4 = 200\,000</math></p>	
(j)	<p>A <math>(14\,000 - 2\,000) \times 0.2 = 2\,400</math></p> <p>B <math>(14\,000 + 3\,600 - 2\,000) \times 0.2 = 3\,120</math></p> <p>C <math>(14\,000 + 3\,600) \times 0.2 = 3\,520</math></p> <p>D <math>(14\,000 + 3\,600 - 2\,000) \times 0.25 = 3\,900</math></p>	

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

Question	Answer	Marks																									
2(a)	An income statement shows incomes and expenses <b>(1)</b> and is prepared for a period of time <b>(1)</b> . A statement of financial position shows assets and liabilities <b>(1)</b> and is prepared at a particular date <b>(1)</b> .	4																									
2(b)	<table><tr><td></td><td>asset</td><td>liability</td><td>income</td><td>expense</td></tr><tr><td>bank loan</td><td></td><td>✓<b>(1)</b></td><td></td><td></td></tr><tr><td>insurance</td><td></td><td></td><td></td><td>✓<b>(1)</b></td></tr><tr><td>equipment</td><td>✓<b>(1)</b></td><td></td><td></td><td></td></tr><tr><td>depreciation charge</td><td></td><td></td><td></td><td>✓<b>(1)</b></td></tr></table>		asset	liability	income	expense	bank loan		✓ <b>(1)</b>			insurance				✓ <b>(1)</b>	equipment	✓ <b>(1)</b>				depreciation charge				✓ <b>(1)</b>	4
	asset	liability	income	expense																							
bank loan		✓ <b>(1)</b>																									
insurance				✓ <b>(1)</b>																							
equipment	✓ <b>(1)</b>																										
depreciation charge				✓ <b>(1)</b>																							
2(c)	Income statement \$1500 <b>(1)</b> Statement of financial position \$4500 <b>(1)</b>	2																									
2(d)	accounts of the same type can be kept together helps to locate errors allows tasks to be divided between different people deters fraud allows checking procedures to be introduced any one for <b>(1)</b> mark	1																									
2(e)(i)	Sales ledger – accounts of individual credit customers <b>(1)</b> Purchases ledger – accounts of individual credit suppliers <b>(1)</b>	2																									
2(e)(ii)	any suitable example for <b>(1)</b> mark e.g. sales, purchases, insurance	1																									

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Question	Answer	Marks				
2(f)	<div><div></div><div>cash book</div><div>petty cash book</div><div>sales journal</div><div>sales returns journal</div><div>purchases journal</div><div>purchases returns journal</div><div>general (nominal) journal</div><div>any two for <b>(1)</b> mark each</div></div>	<b>2</b>				
2(g)	<table><tr><td></td><td>true or false</td></tr><tr><td>The recording of financial transactions is called accounting</td><td>false <b>(1)</b></td></tr></table>		true or false	The recording of financial transactions is called accounting	false <b>(1)</b>	<b>1</b>
	true or false					
The recording of financial transactions is called accounting	false <b>(1)</b>					

Question	Answer	Marks												
3(a)(i)	<div>in the books of Pich</div> <div><div>debit account</div><div>\$</div><div>credit account</div><div>\$</div><div>Roger</div><div>5000 (1)</div><div>sales</div><div>5000 (1)</div></div>	2												
3(a)(ii)	<div>in the books of Roger</div> <div><div>debit account</div><div>\$</div><div>credit account</div><div>\$</div><div>purchases</div><div>5000 (1)</div><div>Pich</div><div>5000 (1)</div></div>	2												
3(b)	<div>Invoice (1)</div> <div>Pich (1)</div>	2												
3(c)	<table><tr><td>debit account</td><td>\$</td><td>credit account</td><td>\$</td></tr><tr><td>bank</td><td>4875 (1)</td><td>Roger</td><td>5000 (1)</td></tr><tr><td>discount allowed</td><td>125 (1)</td><td></td><td></td></tr></table>	debit account	\$	credit account	\$	bank	4875 (1)	Roger	5000 (1)	discount allowed	125 (1)			3
debit account	\$	credit account	\$											
bank	4875 (1)	Roger	5000 (1)											
discount allowed	125 (1)													

Question	Answer	Marks																																																																																																																																								
3(d)(i)	discount received account <b>(1)</b>	<b>1</b>																																																																																																																																								
3(d)(ii)	income statement <b>(1)</b>	<b>1</b>																																																																																																																																								
3(e)	A <b>credit note (1)</b> is issued by the supplier when goods are returned. A <b>debit note (1)</b> may be issued by the customer when goods are returned.	<b>2</b>																																																																																																																																								
3(f)	<div><div><div>Pich Bad debts account</div><table><thead><tr><th>Date</th><th>Details</th><th>\$</th><th></th><th>Date</th><th>Details</th><th>\$</th><th></th></tr></thead><tbody><tr><td>2016</td><td></td><td></td><td></td><td>2017</td><td></td><td></td><td></td></tr><tr><td>Dec 1</td><td>Amit</td><td>860</td><td><b>(1)</b></td><td>Feb 28</td><td>Income statement</td><td>1960</td><td><b>(1)OF</b></td></tr><tr><td>2017</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Feb 28</td><td>Ruth</td><td><u>1100</u></td><td><b>(1)</b></td><td></td><td></td><td><u>1960</u></td><td></td></tr><tr><td></td><td></td><td><u>1960</u></td><td></td><td></td><td></td><td></td><td></td></tr></tbody></table></div><div><div>Provision for doubtful debts account</div><table><thead><tr><th>Date</th><th>Details</th><th>\$</th><th></th><th>Date</th><th>Details</th><th>\$</th><th></th></tr></thead><tbody><tr><td>2017</td><td></td><td></td><td></td><td>2016</td><td></td><td></td><td></td></tr><tr><td>Feb 28</td><td>Balance c/d</td><td>2548</td><td><b>(3)*</b></td><td>Mar 1</td><td>Balance b/d</td><td>2240</td><td><b>(1)</b></td></tr><tr><td></td><td></td><td></td><td></td><td>2017</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td><u>2548</u></td><td></td><td>Feb 28</td><td>Income statement</td><td><u>308</u></td><td><b>(1)OF</b></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td><u>2548</u></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td>2017</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td>Mar 1</td><td>Balance b/d</td><td>2548</td><td><b>(1)OF</b></td></tr></tbody></table></div><div><div>* (64 800–1100) <b>(1)</b> × 0.04 <b>(1)</b> = 2548 <b>(1)OF</b></div></div><div><div>Ruth account</div><table><thead><tr><th>Date</th><th>Details</th><th>\$</th><th></th><th>Date</th><th>Details</th><th>\$</th><th></th></tr></thead><tbody><tr><td>2017</td><td></td><td></td><td></td><td>2017</td><td></td><td></td><td></td></tr><tr><td>Feb 28</td><td>Balance b/d</td><td><u>1100</u></td><td><b>(1)</b></td><td>Feb 28</td><td>Bad debts</td><td><u>1100</u></td><td><b>(1)</b></td></tr></tbody></table></div></div> <div><div>+(1) for dates</div></div>	Date	Details	\$		Date	Details	\$		2016				2017				Dec 1	Amit	860	<b>(1)</b>	Feb 28	Income statement	1960	<b>(1)OF</b>	2017								Feb 28	Ruth	<u>1100</u>	<b>(1)</b>			<u>1960</u>				<u>1960</u>						Date	Details	\$		Date	Details	\$		2017				2016				Feb 28	Balance c/d	2548	<b>(3)*</b>	Mar 1	Balance b/d	2240	<b>(1)</b>					2017						<u>2548</u>		Feb 28	Income statement	<u>308</u>	<b>(1)OF</b>							<u>2548</u>						2017								Mar 1	Balance b/d	2548	<b>(1)OF</b>	Date	Details	\$		Date	Details	\$		2017				2017				Feb 28	Balance b/d	<u>1100</u>	<b>(1)</b>	Feb 28	Bad debts	<u>1100</u>	<b>(1)</b>	<b>12</b>
Date	Details	\$		Date	Details	\$																																																																																																																																				
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Question	Answer	Marks												
3(g)	<p>Pich</p> <p>Statement of Financial Position (extract) at 28 February 2017</p> <table> <tr> <td>Current assets</td><td>\$</td><td></td></tr> <tr> <td>Trade receivables</td><td>63 700</td><td>(1)</td></tr> <tr> <td>Provision for doubtful debts</td><td><u>(2 548)</u></td><td>(1)OF</td></tr> <tr> <td></td><td><u>61 152</u></td><td>(1)OF</td></tr> </table>	Current assets	\$		Trade receivables	63 700	(1)	Provision for doubtful debts	<u>(2 548)</u>	(1)OF		<u>61 152</u>	(1)OF	3
Current assets	\$													
Trade receivables	63 700	(1)												
Provision for doubtful debts	<u>(2 548)</u>	(1)OF												
	<u>61 152</u>	(1)OF												

Question	Answer	Marks																					
4(a)	A copy of the customer's account as it appears in the books of the bank. (1)	1																					
4(b)	3 and 4 (1)	1																					
4(c)	<table> <tr> <td></td><td>\$</td><td></td></tr> <tr> <td>original balance</td><td>2890</td><td></td></tr> <tr> <td>correction of error</td><td>90</td><td>(1)</td></tr> <tr> <td>bank charges</td><td>(50)</td><td>(1)</td></tr> <tr> <td>dishonoured cheque</td><td><u>(200)</u></td><td>(1)</td></tr> <tr> <td>updated balance</td><td><u>2730</u></td><td>(1)OF</td></tr> <tr> <td>accept alternative presentation</td><td></td><td></td></tr> </table>		\$		original balance	2890		correction of error	90	(1)	bank charges	(50)	(1)	dishonoured cheque	<u>(200)</u>	(1)	updated balance	<u>2730</u>	(1)OF	accept alternative presentation			4
	\$																						
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updated balance	<u>2730</u>	(1)OF																					
accept alternative presentation																							
4(d)	<p>Yeo</p> <p>Bank Reconciliation Statement at 30 April 2017</p> <table> <tr> <td></td><td>\$</td><td></td></tr> <tr> <td>Balance in cash book (1)</td><td>2730</td><td>(1)OF</td></tr> <tr> <td>Add unrepresented cheque</td><td><u>400</u></td><td>(1)</td></tr> <tr> <td></td><td>3130</td><td></td></tr> <tr> <td>Less uncredited deposit</td><td><u>(180)</u></td><td>(1)</td></tr> <tr> <td>Balance on bank statement (1)</td><td><u>2950</u></td><td>(1)OF</td></tr> <tr> <td>accept alternative presentation</td><td></td><td></td></tr> </table>		\$		Balance in cash book (1)	2730	(1)OF	Add unrepresented cheque	<u>400</u>	(1)		3130		Less uncredited deposit	<u>(180)</u>	(1)	Balance on bank statement (1)	<u>2950</u>	(1)OF	accept alternative presentation			6
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Balance on bank statement (1)	<u>2950</u>	(1)OF																					
accept alternative presentation																							
4(e)	<p>\$2730 (1)OF</p> <p>current assets (1)OF</p>	2																					

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Question	Answer	Marks
4(f)	insufficient funds in account no signature on cheque wrong signature no date words and figures do not agree cheque is out of date any one for <b>(1)</b> mark	<b>1</b>
4(g)	preparing of trial balance <b>(1)</b> OR preparing of control account <b>(1)</b>	<b>1</b>

Question	Answer	Marks
5(a)	more capital introduced to business more expertise available responsibilities are shared e.g. holidays, sickness risk is shared losses are shared any two for <b>(1)</b> mark each	<b>2</b>
5(b)(i)	To record the difference between the amounts earned from the partnership and the amounts withdrawn from the partnership <b>(1)</b> To show the retained profit of each partner <b>(1)</b> To make it easier to calculate interest on capital <b>(1)</b> To reveal excess drawings <b>(1)</b>  <b>[max 1]</b>	<b>1</b>
5(b)(ii)	Ann owes money to the partnership. <b>(1)</b> The partnership owes money to Bindu. <b>(1)</b>	<b>2</b>



Question	Answer	Marks																																																																								
5(c)	<div>Ann and Bindu</div> <div>Appropriation Account for the year ended 28 February 2017</div> <table><tr><td></td><td>\$</td><td></td><td>\$</td><td></td></tr><tr><td>Profit for the year</td><td></td><td></td><td>24 500</td><td></td></tr><tr><td>Less interest on capital – Ann</td><td>3000</td><td>(1)</td><td></td><td></td></tr><tr><td>– Bindu</td><td><u>2500</u></td><td>(1)</td><td>5 500</td><td></td></tr><tr><td>Less salary – Ann</td><td></td><td></td><td><u>4 000</u></td><td>(1)</td></tr><tr><td></td><td></td><td></td><td>15 000</td><td></td></tr><tr><td>Shares of profit – Ann</td><td>9000</td><td>(1)OF</td><td></td><td></td></tr><tr><td>– Bindu</td><td><u>6000</u></td><td>(1)OF</td><td><u>15 000</u></td><td></td></tr></table>		\$		\$		Profit for the year			24 500		Less interest on capital – Ann	3000	(1)			– Bindu	<u>2500</u>	(1)	5 500		Less salary – Ann			<u>4 000</u>	(1)				15 000		Shares of profit – Ann	9000	(1)OF			– Bindu	<u>6000</u>	(1)OF	<u>15 000</u>		5																																
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5(d)	<div>Ann and Bindu</div> <div>Current accounts</div> <table><tr><td>Details</td><td>\$</td><td>\$</td><td></td><td>Details</td><td>\$</td><td>\$</td><td></td></tr><tr><td></td><td>Ann</td><td>Bindu</td><td></td><td></td><td>Ann</td><td>Bindu</td><td></td></tr><tr><td>Balance b/d</td><td>5 000</td><td></td><td></td><td>Balance b/d</td><td></td><td>3 000</td><td>(1)*</td></tr><tr><td>Drawings</td><td>12 500</td><td>10 000</td><td>(1)*</td><td>Interest on capital</td><td>3 000</td><td>2 500</td><td>(1)OF*</td></tr><tr><td>Balance c/d</td><td></td><td>1 500</td><td></td><td>Salary</td><td>4 000</td><td></td><td>(1)</td></tr><tr><td></td><td></td><td></td><td></td><td>Shares of profit</td><td>9 000</td><td>6 000</td><td>(1)OF*</td></tr><tr><td></td><td></td><td></td><td></td><td>Balance c/d</td><td>1 500</td><td></td><td></td></tr><tr><td></td><td><u>17 500</u></td><td><u>11 500</u></td><td></td><td></td><td><u>17 500</u></td><td><u>11 500</u></td><td></td></tr><tr><td>Balance b/d</td><td>1 500</td><td></td><td></td><td>Balance b/d</td><td></td><td>1 500</td><td>(1)OF*</td></tr></table> <div>* mark for both items</div>	Details	\$	\$		Details	\$	\$			Ann	Bindu			Ann	Bindu		Balance b/d	5 000			Balance b/d		3 000	(1)*	Drawings	12 500	10 000	(1)*	Interest on capital	3 000	2 500	(1)OF*	Balance c/d		1 500		Salary	4 000		(1)					Shares of profit	9 000	6 000	(1)OF*					Balance c/d	1 500				<u>17 500</u>	<u>11 500</u>			<u>17 500</u>	<u>11 500</u>		Balance b/d	1 500			Balance b/d		1 500	(1)OF*	6
Details	\$	\$		Details	\$	\$																																																																				
	Ann	Bindu			Ann	Bindu																																																																				
Balance b/d	5 000			Balance b/d		3 000	(1)*																																																																			
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5(e)	<table><tr><td></td><td>effect</td><td>\$</td><td></td></tr><tr><td></td><td>(understated or overstated)</td><td></td><td></td></tr><tr><td>gross profit</td><td>overstated</td><td>\$750</td><td>(1)</td></tr><tr><td>profit for the year</td><td>overstated</td><td>\$750</td><td>(1)</td></tr><tr><td>share of profit – Ann</td><td>overstated</td><td>\$450</td><td>(1)</td></tr><tr><td>– Bindu</td><td>overstated</td><td>\$300</td><td>(1)</td></tr></table>		effect	\$			(understated or overstated)			gross profit	overstated	\$750	(1)	profit for the year	overstated	\$750	(1)	share of profit – Ann	overstated	\$450	(1)	– Bindu	overstated	\$300	(1)	4																																																
	effect	\$																																																																								
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share of profit – Ann	overstated	\$450	(1)																																																																							
– Bindu	overstated	\$300	(1)																																																																							
5(f)	It avoids inventory/current assets/profit being overstated. (1)	1																																																																								

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Question	Answer	Marks
5(g)	The loss arising from the damage is recorded in the same year as the damage occurred. <b>(1)</b>	<b>1</b>

Question	Answer					Marks
6(a)			factory overheads	distribution costs	administrative expenses	4
		factory rent	✓			
		carriage outwards		✓(1)		
		depreciation of office equipment			✓(1)	
		factory supervisor's salary	✓(1)			
		repairs of delivery vehicles		✓(1)		
6(b)(i)	Cost of raw materials 112 500 (1)+(5000–7500) (1)=110 000 (1)OF					2
6(b)(ii)	Prime cost 110 000 (1)OF +82 000=192 000 (1)OF					2
6(b)(iii)	Cost of production 192 000 OF +(41 800+6000) (1)=239 800 (1)OF accept alternative formats					2

Question	Answer	Marks																																																																	
6(c)	<div><div>G Limited</div><div>Income Statement for the year ended 31 December 2016</div><table><tr><td></td><td>\$</td><td></td><td>\$</td><td></td></tr><tr><td>Revenue</td><td></td><td></td><td>550 000</td><td>(1)</td></tr><tr><td>Inventory of finished goods – 1 Jan 2016</td><td>51 000</td><td></td><td></td><td></td></tr><tr><td>Cost of production</td><td>239 800</td><td>(1)OF</td><td></td><td></td></tr><tr><td>Purchases of finished goods</td><td><u>95 200</u></td><td>(1)</td><td></td><td></td></tr><tr><td></td><td>386 000</td><td></td><td></td><td></td></tr><tr><td>Inventory of finished goods – 31 Dec 2016</td><td><u>47 300</u></td><td>(1)*</td><td></td><td></td></tr><tr><td>Cost of sales</td><td></td><td></td><td><u>338 700</u></td><td></td></tr><tr><td>Gross profit</td><td></td><td></td><td>211 300</td><td>(1)OF</td></tr><tr><td>Distribution costs</td><td>61 800</td><td>(1)</td><td></td><td></td></tr><tr><td>Administrative expenses</td><td>95 100</td><td>(1)</td><td></td><td></td></tr><tr><td>Finance charges</td><td><u>16 100</u></td><td>(1)</td><td><u>173 000</u></td><td></td></tr><tr><td>Profit for the year</td><td></td><td></td><td><u>38 300</u></td><td>(1)OF</td></tr></table><div>* mark for both inventory figures</div></div>		\$		\$		Revenue			550 000	(1)	Inventory of finished goods – 1 Jan 2016	51 000				Cost of production	239 800	(1)OF			Purchases of finished goods	<u>95 200</u>	(1)				386 000				Inventory of finished goods – 31 Dec 2016	<u>47 300</u>	(1)*			Cost of sales			<u>338 700</u>		Gross profit			211 300	(1)OF	Distribution costs	61 800	(1)			Administrative expenses	95 100	(1)			Finance charges	<u>16 100</u>	(1)	<u>173 000</u>		Profit for the year			<u>38 300</u>	(1)OF	9
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6(d)	<div>It is cheaper to buy than produce (1) OR</div> <div>Demand is higher than production at full capacity (1)</div> <div>accept other suitable answers</div>	1																																																																	
6(e)	<div><div>Savings</div><table><tr><td>old depreciation</td><td>6 000</td><td>(1)</td><td></td><td></td></tr><tr><td>repairs</td><td>9 000</td><td>(1)</td><td></td><td></td></tr><tr><td>raw materials 110 000 (1)OF×0.04 (1)</td><td><u>4 400</u></td><td></td><td></td><td></td></tr><tr><td></td><td><u>19 400</u></td><td></td><td></td><td></td></tr></table><div>Less additional costs</div><table><tr><td>new depreciation</td><td>(10 000)</td><td>(1)</td><td></td><td></td></tr><tr><td>additional interest</td><td><u>(8 000)</u></td><td>(1)</td><td></td><td></td></tr><tr><td>Increase in profit</td><td><u>1 400</u></td><td>(1)OF</td><td></td><td></td></tr></table></div>	old depreciation	6 000	(1)			repairs	9 000	(1)			raw materials 110 000 (1)OF×0.04 (1)	<u>4 400</u>					<u>19 400</u>				new depreciation	(10 000)	(1)			additional interest	<u>(8 000)</u>	(1)			Increase in profit	<u>1 400</u>	(1)OF			7																														
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