

**CAMBRIDGE INTERNATIONAL EXAMINATIONS**

Cambridge International General Certificate of Secondary Education

**MARK SCHEME for the October/November 2015 series**

**0452 ACCOUNTING**

**0452/21**

Paper 2, maximum raw mark 120

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 will not enter into discussions about these mark schemes.

Cambridge is publishing the mark schemes for the October/November 2015 series for most Cambridge IGCSE<sup>®</sup>, Cambridge International A and AS Level components and some Cambridge O Level components.

® IGCSE is the registered trademark of Cambridge International Examinations.

<b>Page 2</b>	<b>Mark Scheme</b>	<b>Syllabus</b>	<b>Paper</b>
	<b>Cambridge IGCSE – October/November 2015</b>	<b>0452</b>	<b>21</b>

1 (a)

Shahid Ayub  
Cash Book

Date	Details	Discount Allowed	Cash	Bank	Date	Details	Discount Received	Cash	Bank
2015 Aug 1	Balance b/d (1)	\$	\$ 50	\$	2015 Aug 1	Balance b/d	\$	\$	\$ 7150
24	Mariam Soliman (1)	13		507	9	El Nil Supply Company (dis cheque) (1)			362
30	Sales (1)		3224		18	Drawings (1)			54
31	Cash c (1)OF			3174	31	Bank c (1)		3174	
	Balance c/d			3885		Balance c/d		100	
		13	3274	7566				3274	7566
2015 Sept 1	Balance b/d				2015 Sept 1	Balance b/d			3885 (1)OF
			100 (1)						

+ (1) dates

[9]

<b>Page 3</b>	<b>Mark Scheme</b>	<b>Syllabus</b>	<b>Paper</b>
	<b>Cambridge IGCSE – October/November 2015</b>	<b>0452</b>	<b>21</b>

(b) (i) \$316 (1)

(ii) Mariam Soliman (1)

[2]

(c)

Transaction	Document	Book of prime (original) entry
August 9 Goods	Sales invoice (1)	Sales Journal (1)
13 Returns	Credit note (1)	Sales Returns Journal (1)
24 Payment	Cheque (OR Paying in book) (1)	Cash book (1)

[6]

(d)

Mariam Soliman  
Shahid Ayub Account

	\$		\$
2015		2015	
Aug 13 Returns	24 (1)	Aug 1 Balance b/d	520
24 Bank/Cash	507 (1)	9 Purchases	340 (1)
Discount	13 (1)		
31 Balance c/d	316		
	<u>860</u>		<u>860</u>
		2015	
		Sept 1 Balance b/d	316 (1)O/F

**Three column running balance presentation acceptable**

**+(1) for dates**

[6]

**[Total: 23]**

Page 4	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2015	0452	21

2 (a)

Grace Zindi  
Income Statement for the year ended 31 July 2015

	\$	\$
Income from Clients (28 500 (1) + 3400 (1))		31 900
Commission receivable (7600 (1) + 250 (1))		7 850
		<u>39 750</u>
Wages	21 600 (1)	
Rates and Insurance ((3900 (1) – 300 (1)) × $\frac{3}{4}$ (1))	2 700	
General Expenses	990 (1)	
Heat and Light	710 (1)	
Provision for Doubtful Debts (1% × 3400)	34 (1)	
Depreciation motor vehicles (12 500 – 4500 (1) × 20% (1))	1 600	
Depreciation office equipment (11 400 + 6900 (1) – 14 500 (1))	<u>3 800</u>	<u>31 434</u>
Profit for the year		<u>8 316 (1)OF</u>
		[16]

(b)

Grace Zindi  
Capital Account

	\$		\$
2015		2014	
31 July		1 Aug	
Cash/Drawings	15 500 (1)	Balance	85 000 (1)
Rates &			
Insurance			
Drawings	900 (1)	31 July	
Balance	76 916	Profit	8 316 (1)OF
c/d	<u>93 316</u>		<u>93 316</u>
		2015	
		1 Aug	
		Balance	76 916 (1)OF

+(1) For dates

Three column running balance presentation acceptable

[6]

(c) Revenue for the year is matched against the costs of the same period (1)

Example

**Either** Insurance prepaid at year-end was deducted**Or** Commission receivable outstanding at year-end was added**Or** Amount owing from clients at year-end was added (1)

[2]

(d) The business is treated as being separate from the owner (1)

Example

The proportion of rates and insurance relating to the owner's flat was excluded from the business expenses (1)

[2]

[Total: 26]

<b>Page 5</b>	<b>Mark Scheme</b>	<b>Syllabus</b>	<b>Paper</b>
	<b>Cambridge IGCSE – October/November 2015</b>	<b>0452</b>	<b>21</b>

- 3 (a)** Physical deterioration  
Economic reasons  
Passage of time  
Depletion  
**Any 2 reasons (1) each** [2]
- (b)** The depreciation is calculated on the net cost price **(1)** and the same amount is written off each year **(1)** [2]
- (c)** The same percentage is written off each year **(1)** but it is calculated on the net book value of the asset **(1)** [2]
- (d)** Ensures that non-current assets are shown at more realistic values **(1)**  
Ensures that the profit for the year is not overstated **(1)** [2]
- (e)** Accruals (matching) **(1)** [1]

<b>Page 6</b>	<b>Mark Scheme</b>	<b>Syllabus</b>	<b>Paper</b>
	<b>Cambridge IGCSE – October/November 2015</b>	<b>0452</b>	<b>21</b>

(f) (i)

Natasha Salim  
Machinery Account

		\$				\$
2013				2014		
Oct 1	Bank	4 000	(1)	Sept 30	Balance c/d	10 000
2014						
Jan 1	ABC Machines	6 000	(1)			
		<u>10 000</u>				<u>10 000</u>
2014				2015		
Oct 1	Balance b/d	10 000	(1)OF	Feb 1	Disposal	4 000 (1)
		<u>10 000</u>		Sept 30	Balance c/d	6 000
						<u>10 000</u>
2015						
Oct 1	Balance b/d	6 000	(1)OF			

(ii)

Provisions for depreciation of machinery account

		\$				\$
2014				2014		
Sept 30	Balance c/d	2 000		Sept 30	Income Statement	
		<u>2 000</u>			800(1) + 1200 (1)	2 000
						<u>2 000</u>
2015				2014		
Feb 1	Disposal	800	(1)	Oct 1	Balance b/d	2 000 (1)OF
Sept 30	Balance c/d	2 160		2015		
		<u>2 960</u>		Sept 30	Income Statement	960 (1)
						<u>2 960</u>
				2015		
				Oct 1	Balance b/d	2 160 (1)OF (2)CF

Three column running balance presentation acceptable

[12]

(g)

	\$	
Proceeds of Sale	2 100	
Provision for depreciation	<u>800</u>	(1)OF
	2 900	
Less Cost Price	<u>4 000</u>	(1)
Profit/Loss (1) on disposal	<u>1 100</u>	(1)OF

Accept alternative formats

[4]

[Total: 25]

<b>Page 7</b>	<b>Mark Scheme</b>	<b>Syllabus</b>	<b>Paper</b>
	<b>Cambridge IGCSE – October/November 2015</b>	<b>0452</b>	<b>21</b>

4 (a)

Moses and Tobias Lyambo  
Corrected Statement of Financial Position at 31 October 2015

	\$	\$	\$	
Assets				
Non-current assets				
Premises at cost			80 000	
Fixtures and Equipment at book value (24 80 – 3100)			21 700	(1)
			<u>101 700</u>	(1)
Current Assets				
Inventory			6 950	
Trade Receivable		5 200		
Provision for doubtful debts		<u>130</u>	5 070	
Bank (1500 – 70)			1 430	(1)
Cash			500	(1)
			<u>13 950</u>	(1)OF
Total assets			<u>115 650</u>	
Capital and liabilities				
	M lyambo	T lyambo	Total	
Capital Accounts	<u>65 000</u>	<u>35 000</u>	100 000	(1)
Current Accounts				
Balance	(2 000)	3 500		(1)
Share of Profit	<u>9 000</u>	<u>9 000</u>		(1)
	7 000	12 500		
Drawings	<u>8 000</u>	<u>5 500</u>		(1)
	<u>1 000</u>	<u>7 000</u>	6 000	(1)OF
			<u>106 000</u>	(1)OF
Current liabilities				
Trade Payables			8 520	
Other Payables			1 130	(1)
			<u>9 650</u>	(1)
Total Liabilities			<u>115 650</u>	

**Accept current account calculations outside statement**

[16]

- (b) Introduce more capital  
Obtain long-term loan  
Mortgage premises  
**Or other suitable way**  
**Any two ways (1) each**

[2]

<b>Page 8</b>	<b>Mark Scheme</b>	<b>Syllabus</b>	<b>Paper</b>
	<b>Cambridge IGCSE – October/November 2015</b>	<b>0452</b>	<b>21</b>

- (c) Introduce more capital  
Obtain long-term loan  
Mortgage premises  
**Or other suitable way**  
**Any two ways (1) each**

[2]

(d)

	Increase	Decrease	No effect
Sale of surplus equipment	✓ (1)		
Delay payment to credit suppliers			✓ (1)
Paying surplus cash into bank			✓ (1)
Writing off a bad debt		✓ (1)	

[4]

[Total: 24]



Page 9	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2015	0452	21

5 (a)

Kelbrook Limited  
Extract from Statement of Financial Position at 30 September 2015

	\$	
Equity and Reserves		
Ordinary Share Capital	90 000	(1)
General Reserve (4000 (1) + 2000 (1))	6 000	
Retained Earnings (5500 (1) + 2500 (1))	8 000	
	104 000	

[5]

(b)

Current ratio	
<p style="text-align: center;">Workings</p> $(5100 + 8500) : (6100 + 4300 + 1400)$ $13\,600 : 11\,800 \text{ (1)}$	<p>Answer to <b>two</b> decimal places</p> <p style="text-align: center;">1.15 : 1 (1)</p>

Quick ratio	
<p style="text-align: center;">Workings</p> $8500 : (6100 + 4300 + 1400)$ $8500 : 11\,800 \text{ (1)}$	<p>Answer to <b>two</b> decimal places</p> <p style="text-align: center;">0.72 : 1 (1)</p>

Return on capital employed (ROCE)	
<p style="text-align: center;">Workings</p> $\frac{9000}{90\,000 + 6000 + 8000} \times \frac{100}{1} \text{ (1)}$ <p>OR</p> $\frac{9000}{102\,200 + 13\,600 - 11\,800} \times \frac{100}{1} \text{ (1)}$	<p>Answer to <b>two</b> decimal places</p> <p style="text-align: center;">8.65% (1)</p>

[6]

Page 10	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – October/November 2015	0452	21

- (c) Ratio has fallen  
 Current assets only just cover the current liabilities  
 May have problems in meeting debts when they fall due  
 Is below the generally-accepted “benchmark”  
**Or other suitable comments based on answer to (b)**  
**Any 2 points (1) each** [2]
- (d) Change from positive bank balance to overdraft/increase in overdraft/reduction in bank balance  
 Increased expenditure on inventory/increase in inventory  
 Purchase of non-current assets  
 Repayment of long-term loan  
 Increase in current liabilities  
 Decrease in trade receivables  
**Any 1 reason (1)** [1]
- (e) Increase the profit  
 Reduce the capital employed  
**Any 2 reasons (1) each** [2]
- (f) (i)  $\frac{8500}{45000} \times \frac{365}{1} (1) = 69 \text{ days } (1)$  [2]
- (ii) On average credit customers are taking 9 days more than is allowed  
 This may affect the ability of the business to pay current liabilities  
 This may affect the ability of the business to take advantage of opportunities when they arise  
**Or other suitable comments based on answer to (f)(i)**  
**Any 2 points (1) each** [2]
- (g) On average are taking 22 days more than is allowed to pay credit suppliers  
 This may be caused by the credit customers taking too long to pay  
 May result in further supplies being refused  
**Or other suitable points**  
**Any 2 points (1) each** [2]

[Total: 22]