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Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

ACCOUNTING **0452/22**

Paper 2 **October/November 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.

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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.

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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.

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(a)</td><td>
Tebogo
Sales Journal
<table>
<tr><th>Date</th><th>Details</th><th>$</th><th>$</th><th></th></tr>
<tr><td>2019</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Aug 6</td><td>Kayla</td><td>1400</td><td></td><td></td></tr>
<tr><td></td><td>Less 20% trade discount</td><td>280</td><td>1120</td><td>(1)</td></tr>
<tr><td>18</td><td>Nyack</td><td></td><td>620</td><td>}</td></tr>
<tr><td></td><td></td><td></td><td></td><td>}(1)</td></tr>
<tr><td>30</td><td>Kayla</td><td></td><td>160</td><td>}</td></tr>
<tr><td>31</td><td>Transfer to sales account</td><td></td><td>1900</td><td>(1)
OF</td></tr>
</table>
Tebogo
Sales Returns Journal
<table>
<tr><th>Date</th><th>Details</th><th>$</th><th>$</th><th></th></tr>
<tr><td>2019</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Aug 12</td><td>Kayla</td><td>300</td><td></td><td></td></tr>
<tr><td></td><td>Less 20% trade discount</td><td>60</td><td>240</td><td>(1)</td></tr>
<tr><td>24</td><td>Nyack</td><td></td><td>155</td><td>}</td></tr>
<tr><td></td><td></td><td></td><td></td><td>}(1)</td></tr>
<tr><td>31</td><td>Transfer to sales returns account</td><td></td><td>395</td><td>}OF</td></tr>
</table>
</td><td>5</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(b)</td><td>
Tebogo
Kayla account
<table>
<tr><th>Date</th><th>Details</th><th>$</th><th>Date</th><th>Details</th><th>$</th></tr>
<tr><td>2019</td><td></td><td></td><td>2019</td><td></td><td></td></tr>
<tr><td>Aug 1</td><td>Balance b/d</td><td>900</td><td>Aug 12</td><td>Sales returns (1)OF</td><td>240</td></tr>
<tr><td>6</td><td>Sales OF }(1)</td><td>1120</td><td>29</td><td>Bank }(1)</td><td>882</td></tr>
<tr><td>30</td><td>Sales CF }</td><td>160</td><td></td><td>Discount }</td><td>18</td></tr>
<tr><td></td><td></td><td></td><td>31</td><td>Balance c/d</td><td>1040</td></tr>
<tr><td></td><td></td><td>2180</td><td></td><td></td><td>2180</td></tr>
<tr><td>2019</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Sept 1</td><td>Balance b/d (1)OF</td><td>1040</td><td></td><td></td><td></td></tr>
</table>
Sales account
<table>
<tr><th>Date</th><th>Details</th><th>$</th><th>Date</th><th>Details</th><th>$</th></tr>
<tr><td>2019</td><td></td><td></td><td><i>2019</i></td><td></td><td></td></tr>
<tr><td>Aug 31</td><td>Income statement (1)OF</td><td>23 300</td><td><i>Aug 1</i></td><td><i>Total sales to date</i></td><td>21 400</td></tr>
<tr><td></td><td></td><td></td><td>31</td><td>Total for month (1)OF</td><td>1900</td></tr>
<tr><td></td><td></td><td>23 300</td><td></td><td></td><td>23 300</td></tr>
</table>
</td><td>8</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(b)</td><td>Sales returns account
<table>
<tr><th>Date
2019</th><th>Details</th><th>$</th><th>Date
2019</th><th>Details</th><th>$</th></tr>
<tr><td>Aug 1</td><td>Total returns to date</td><td>1560</td><td>Aug 31</td><td>Income statement (1)OF</td><td>1955</td></tr>
<tr><td>31</td><td>Total for month (1)OF</td><td>395</td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td>1955</td><td></td><td></td><td>1955</td></tr>
</table></td><td></td></tr>
<tr><td>1(c)(i)</td><td>Effect on profit – May increase (1)
Reason – amount of discount allowed/expense decreases (1)
OR
Credit customers may not pay in time to receive cash discount as incentive of cash discount now reduced (1)
OR
Effect on profit – May decrease (1)
Reason – credit customers may find another supplier offering better terms (1)

Or other suitable reason</td><td>2</td></tr>
</table>

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Question	Answer	Marks
1(c)(ii)	Effect on liquidity – May decrease **(1)** Reason – Credit customers may take longer to pay as incentive of cash discount now reduced **(1)** **OR** Credit customers may find another supplier offering better terms **(1)** **OR** Effect on liquidity – May increase **(1)** Reason – Credit customers will pay more because cash discount reduced **(1)** **Orr** Credit customers may pay quicker as credit period reduced **(1)** **Or other suitable reason**	**2**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)</td><td>
<table>
<tr><th>Payment</th><th>Capital expenditure</th><th>Revenue expenditure</th></tr>
<tr><td>Premises</td><td>✓}(1)</td><td></td></tr>
<tr><td>Office furniture</td><td>✓}</td><td></td></tr>
<tr><td>Carriage on office furniture</td><td>✓(1)</td><td></td></tr>
<tr><td>Stationery and small office equipment</td><td></td><td>✓(1)</td></tr>
<tr><td>Legal expenses on purchase of premises</td><td>✓(1)</td><td></td></tr>
<tr><td>Computer equipment</td><td>✓}(1)</td><td></td></tr>
<tr><td>Installation of computer equipment</td><td>✓}</td><td></td></tr>
<tr><td>Ink cartridges and printer paper</td><td></td><td>✓(1)</td></tr>
</table>
</td><td>6</td></tr>
<tr><td>2(b)</td><td>Straight line (fixed instalment)
Revaluation
Any 1 method (1)</td><td>1</td></tr>
</table>

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Question	Answer	Marks
2(c)	Amelia Computer equipment account	**6**

Date	Details	$	Date	Details	$
2017					
April 1	Bank **(1)**	1700			

Provision for depreciation of computer equipment account

Date	Details	$	Date	Details	$
2018			2018		
Mar 31	Balance c/d	510	Mar 31	Income statement **(1)OF**	510
		510			510
2019			2018		
Mar 31	Balance c/d	867	April 1	Balance b/d **(1)OF**	510
			2019		
			Mar 31	Income statement **(1)OF**	357
		867			867
			2019		
			April 1	Balance b/d **(1)OF**	867

+ (1) Dates

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Question	Answer	Marks
2(d)	$ Cost (3450 + 50) 3500 Deprecation for year ended 31 March 2018 700 **(1)** 2800 Deprecation for year ended 31 March 2019 560**(1)** Total depreciation $700 + $560 = $1260 **(1)OF**	**3**
2(e)	$ Cost 3500 **(1)** Depreciation 1260 **(1)OF** 2240 Proceeds of sale 1750 Loss **(1)** on disposal 490 **(1)OF**	**4**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(a)</td><td>KS Sports Club
Subscriptions account
<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>Aug 1</td><td>Balance b/d (1)</td><td>250</td><td>Aug 1</td><td>Balance b/d (1)</td><td>100</td></tr>
<tr><td>2019</td><td></td><td></td><td>2019</td><td></td><td></td></tr>
<tr><td>July 31</td><td>Income and expenditure (1)</td><td>7500</td><td>31 July</td><td>Bank/cash (1)OF</td><td>7850</td></tr>
<tr><td></td><td>Balance c/d</td><td>200</td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td>7950</td><td></td><td></td><td>7950</td></tr>
<tr><td></td><td></td><td></td><td>2019</td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td>Aug 1</td><td>Balance b/d (1)</td><td>200</td></tr>
</table>
+ (1) Dates</td><td>6</td></tr>
</table>

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Question	**Answer**	**Marks**
3(b)	KS Sports Club Receipts and Payments Account for the year ended 31 July 2019	**13**

Date	Details	$	Date	Details	$
2019 July 31	Subscriptions **(1)OF**	7850	2018 Aug 1	Balance b/d **(1)**	2620
	Loan **(1)**	1000	2019 July 31	AB Loan **(1)**	2000
	Disposal of equipment **(1)**	870		Loan interest **(1)**	100
	Tournament receipts **(1)**	525		General expenses **(1)**	435
	Balance c/d	2730		Rates and insurance **(1)**	3120
				Sports equipment **(1)**	4150
				Equipment repairs **(1)**	215
				Tournament expenses **(1)**	335
		12 975			12 975
			2019 Aug 1	Balance b/d **(1)OF**	2730

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Question	Answer	Marks
4(a)	Mariam Statement of Affairs at 30 September 2019	**15**

Assets Non-current assets	$ Cost	$ Accumulated depreciation	$ Book value
Premises	80 000		80 000
Fixtures and fittings	7800	1170 **(1)**	6630**(1)OF**
Motor vehicle	10 000	2000 **(1)**	8000**(1)OF**
	97 800	3170	94 630**(1)OF**
Current assets			
Inventory			5840 **(1)**
Trade receivables		6450	
Less Debt written off		150	
		6300 **(1)**	
Less Provision for doubtful debts		315 **(1)**	5985**(1)OF**
Bank			6787**(1)**
			18 612
Total assets			113 242
Capital and liabilities			
Capital account			91 882**(1)OF**
Non-current liabilities			
Loan			7000 **(1)**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4(a)</td><td>
<table>
<tr><td>Current Liabilities
Trade payables
Other payables
Short term loan</td><td></td><td></td><td>7100**(1)**
260 **(1)**
7000**(1)**</td></tr>
<tr><td>Total capital and liabilities</td><td></td><td></td><td>14 360
113 242</td></tr>
</table>
</td><td></td></tr>
<tr><td>4(b)</td><td>
Mariam
Capital account
<table>
<tr><td>Date</td><td>Details</td><td>$</td><td>Date</td><td>Details</td><td>$</td></tr>
<tr><td>2019</td><td></td><td></td><td>2018</td><td></td><td></td></tr>
<tr><td>Sept 30</td><td>Drawings **(1)**</td><td>3125</td><td>Oct 1</td><td>Balance b/d **(1)**</td><td>89 000</td></tr>
<tr><td></td><td></td><td></td><td>2019</td><td></td><td></td></tr>
<tr><td></td><td>Balance c/d **(1)OF**</td><td>91 882</td><td>Sept 30</td><td>Bank **(1)**</td><td>5000</td></tr>
<tr><td></td><td></td><td></td><td></td><td>Profit **(1)OF**</td><td>1007</td></tr>
<tr><td></td><td></td><td>95 007</td><td></td><td></td><td>95 007</td></tr>
<tr><td></td><td></td><td></td><td>2019</td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td>Oct 1</td><td>Balance b/d</td><td>91 882</td></tr>
</table>
</td><td>**5**</td></tr>
</table>

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Question	Answer	Marks
4(c)	Full details are available about the assets, liabilities, revenues and expenses of the business/detailed records are available for reference purposes The preparation of financial statements is relatively straightforward The calculation of the profit or loss for the year is likely to be reliable and accurate More informed decision-making is possible A greater degree of control over business activities can be exercised The possibility of fraud is reduced Information required by a bank or other lender is readily available **Or other suitable points** **Any 2 advantages (1) each**	**2**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>
<table>
<tr><td rowspan="3"></td><td colspan="4">Entry required to correct the error</td></tr>
<tr><td colspan="2">Debit</td><td colspan="2">Credit</td></tr>
<tr><td>account</td><td>$</td><td>account</td><td>$</td></tr>
<tr><td>1</td><td>sales
sales returns</td><td>990
990</td><td>suspense</td><td>1980</td></tr>
<tr><td>2</td><td>Nadia</td><td>65 **(1)**</td><td>Nadira</td><td>65 **(1)**</td></tr>
<tr><td>3</td><td>drawings</td><td>150 **(1)**</td><td>purchases</td><td>150 **(1)**</td></tr>
<tr><td>4</td><td>no entry</td><td>– **(1)**</td><td>suspense</td><td>4100 **(1)**</td></tr>
<tr><td>5</td><td>discount received
discount allowed</td><td>340 **(1)**
430 **(1)**</td><td>suspense</td><td>770 **(1)**</td></tr>
</table>
</td><td>**9**</td></tr>
<tr><td>5(b)</td><td>No **(1)**
The errors discovered will not cancel out the original difference on the trial balance of $7000/the suspense account will still have a balance **(1)**</td><td>**2**</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(c)</td><td>
Sabir
Statement of corrected profit for the year ended 30 September 2019
<table>
<tr><td>Draft profit for the year before corrections</td><td></td><td></td><td></td><td>$31 400</td></tr>
<tr><td></td><td>No effect on profit</td><td>Increase in profit</td><td>Decrease in profit</td><td></td></tr>
<tr><td>Error 1</td><td></td><td></td><td>$990 (1)
$990 (1)</td><td></td></tr>
<tr><td>Error 2</td><td>✓(1)</td><td></td><td></td><td></td></tr>
<tr><td>Error 3</td><td></td><td>$150 (1)</td><td></td><td></td></tr>
<tr><td>Error 4</td><td></td><td></td><td>$4100 (1)</td><td></td></tr>
<tr><td>Error 5</td><td></td><td></td><td>$340 (1)
$430 (1)</td><td></td></tr>
<tr><td>Total difference</td><td></td><td>$150</td><td>$6850</td><td>(6700)</td></tr>
<tr><td>Corrected profit for the year</td><td></td><td></td><td></td><td>$<u>24 700</u>
(2)CF
(1)OF</td></tr>
</table>
</td><td>9</td></tr>
</table>

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Question	Answer	Marks
6(a)	Percentage of gross profit to revenue $\frac{(42\,000 - 35\,490)}{42\,000} \times \frac{100}{1}$ **} (1) whole formula** = **15.50% (1)** Percentage of profit to revenue $\frac{(6510\ \textbf{OF} - 3772}{42\,000} \times \frac{100}{1}$ **} (1) OF whole formula** = **6.52% (1)OF** Return on capital employed $\frac{2738\ \textbf{OF}}{(53\,000 + 10\,000)} \times \frac{100}{1}$ **} (1) OF whole formula** = **4.35% (1)OF** Rate of inventory turnover $\frac{35\,490}{(860 + 920) / 2}$ **(1) whole formula** = **39.88** times **(1)**	**8**

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Question	Answer	Marks
6(b)	Dealing in different types of goods Furniture has a higher profit mark-up than fruit and vegetables **Any 2 points (1) each**	**2**
6(c)	Fruit and vegetables are a low-priced everyday product/furniture is a higher priced article which is not purchased daily Fruit and vegetables will go bad if kept for a long period of time/furniture does not deteriorate as quickly as fresh food. **Or other relevant reason** **Any 1 reason (1)**	**1**
6(d)	Wages, insurance of premises, bad debts, increase in provision for doubtful debts, cash discount allowed **Or other suitable expenses** **Any 2 expenses (1) each**	**2**
6(e)	Dealing in different goods Different type of business (sole trader/partnership) Different length of life of business Different types of expenses Different size of business Results are for one year only and may not show trends The statements do not show non-monetary factors It may not be possible to obtain all the information needed to make comparisons Different accounting policies may be used **Or other relevant factors** **Any 4 factors (1) each**	**4**

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Question	Answer	Marks
6(f)	Increase in selling price will increase margin/mark-up **(1)** so gross profit will increase **(1)** Increase in selling price may make customers go elsewhere **(1)** so gross profit will decrease **(1)**	**2**
6(g)	How much capital will Sabeena invest? Will the annual profit be increased with the injection of more capital? What share of profit will Sabeena require? Will Sabeena work in the business? Will Sabeena require an annual salary? What areas of expertise will Sabeena bring to the business? Are they going to be able to work together without disputes arising? **Or other relevant factors** **Any 3 factors (1) each**	**3**