

CAMBRIDGE INTERNATIONAL EXAMINATIONS

International General Certificate of Secondary Education

MARK SCHEME FOR the November 2002 question papers

0452 ACCOUNTING

0452/02 Paper 2, maximum raw mark 90

0452/03 Paper 3, maximum raw mark 100

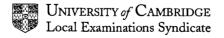
These mark schemes are published as an aid to teachers and students, to indicate the requirements of the examination. They show the basis on which Examiners were initially instructed to award marks. They do not indicate the details of the discussions that took place at an Examiners' meeting before marking began. Any substantial changes to the mark scheme that arose from these discussions will be recorded in the published *Report on the Examination*.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes must be read in conjunction with the question papers and the Report on the Examination.

CIE will not enter into discussions or correspondence in connection with these mark schemes.

CIE is publishing the mark schemes for the October/November 2002 question papers for most IGCSE, GCE Advanced Subsidiary (AS) and GCE Advanced (A) Level syllabuses.





November 2002

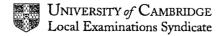
INTERNATIONAL GCSE

MARK SCHEME

MAXIMUM MARK: 90

SYLLABUS/COMPONENT: 0452/02

ACCOUNTING



Page 1 of 5	Mark Scheme	Syllabus	Paper
	IGCSE Examinations - November 2002	0452	2

Question Number	Mark Scheme Details	Part Mark
1 (a)	Stock, debtors, prepayments, bank, cash Any 1 x 1 mark	1
(b)	Business entity	1
(c)	(i) Error of commission (ii) Debit note (iii) 1. Purchases Returns Journal 2. Sales Returns Journal	1 1 1
(d)	Lower of cost or net realisable value	1
(e) (f)	Profit and Loss Account 1. Capital (1) 2. Capital (1)	1
	3. Revenue (1)	3.
(g)	S Balance 1/10/01 2000 (1) + Paid in year 10000 (1) 12000	
	- Prepaid, ¼ x 10000	4
(h)	Incorrect entries of equal amount (1) which cancel each other out (1). Marks may be given for suitable example	.2
(i)	(i) C.B. balance 3200 - uncleared deposit 600 (1) Bank statement balance 2600 (1) CF (ii) \$3200	2
		20

Page 2 of 5	Mark Scheme	Syllabus	Paper
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Question Number	Mark S	cheme Details					Part Mark
2 (a)	(i) <u>Sale</u>	<u>∂°</u>	\$	(ii) <u>P</u> u	<u>ırchases</u>	\$	
` '	(,,	Recd. from debtors	50000 (1)		Paid to creditors	31000 (1)	
		Debtors 30/6/02	8000 (1)		Creditors 30/6/02	4000 (1)	
			58000			35000	
	Less	Debtors 1/7/01	6000 (1)	<u>Less</u>	Creditors 1/7/01	3000 (1)	!
'			52000			32000 (1)	CF
		Cash sales	10000 (1)				
			62000 (1) (CF			9
(b)			Mai H	<u>Iemme</u>			
()		Trading			ded 30 June 2002		
			\$		· S		1
		Sales			6200	0 (1)	-
	Less	Cost of goods sold:	٠	-		• •	
	,	Stock 1/7/01	5000	(1)			
		Purchases	32000	(1)		•	
			37000				
		Stock 30/6/02	7000	(1)	3000	0	
		Gross profit			3200	0 (1)	5
		OF				. ,	
(c)	COGS	= 30000(1) =	5 times (1) OF				
` '	AS	6000 (1) CF	, , ==				3
		() Cr					17
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	<u> </u>						

Additional Information for 2 (a)

T.D				T	.C		
1/7 Bal	6000	Bank	50000	Bank	31000	1/7 Bal	3000
Sales	52000	30/6 Bal	8000	Bal	4000	Bank	32000

Page 3 of 5	Mark Scheme	Syllabus	Paper
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Question Number	Mark Scheme Details	Part Mark
3(a)	(i) \$86000 (1) (ii) \$20000 (1) (iii) Assets (1) (iv) Drawings (1)	
	(v) \$5500 (1)	5
(b)	(i) Current ratio : \$\frac{22000}{10000}\$ (1) = 2.2 : 1 (1) CF	2
	(ii) Quick ratio : $$\frac{22000 - 16000}{10000}(1) = 0.6 : 1(1) \text{ CF}$	3
(c)	(i) \$ 22000 - 10000 (1) = 12000 (1) CF	2
	 (ii) If working capital inadequate, may result in: Loss of discounts for prompt payment Inability to pay creditors, wages, day-to-day expenses Interruption of supplies and production, leading to loss of sales Use of costly additional finance, e.g. overdraft 	
	Should include two of above or other acceptable and distinct points - 2 marks for each 2 x 2	4
		16

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Question Number	Mark Scheme Details	Part Mark
4(a)	Agreed percentage (1) of asset's value at beginning of year w/off (1). Depreciation charges decrease (1) Any 2 from 3 available marks.	2
(b)	Equipment S S' S' S' S' S' S' S'	
	90000 1/9/02 Balance b/d 90000 90000	
	Provision for depreciation of equipment	
	31/8/02 Balance c/d 23000 (1) 1/9/01 Balance b/d 15000 31/8/02 Profit and Loss A/c: \$70000 @10% = 7000 (2) \$20000 @ 10% x 1/2 = 1000 (3) 8000	
	23000 23000 1/9/02 Balance b/d 23000	9
(c)	(Running balance format also acceptable) Extract from Balance Sheet as at 31/8/02	
	Fixed assets Cost Accumulated N.B.V depreciation	
	\$ \$ \$ Equipment 90000(1)OF 23000(1)OF 67000(1)OF	3
(d)	Prudence is observed:	
	by not overstating profits, as depreciation shown as cost and so gives more realistic profit/loss (1)	
	by not ignoring fall in asset values, as depreciation is deducted from asset to give more realistic N.B.V (1)	2
		16

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Question Number	Mark Scheme Details	Part Mark
5 (a)	(i) Brown and White Profit and Loss Account for the year ended 30 September 2002	
	S	
	(Vertical form acceptable)	10
	(ii) Appropriation Account for the year ended 30 September 2002 Interest on capital:	
	Profit shares Brown ³ / ₅ 2250 (2) OF 1 each White ² / ₆ 1500 (2) 3750 10000 [vertical form acceptable]	9
(b)	White may spend more time working in the business or may have additional responsibilities: recognised through salary	2
		21