



ACCOUNTING

0452/13

Paper 1

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.

Cambridge International is publishing the mark schemes for the October/November 2019 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

This document consists of **17** 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.

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

Question	Answer	Marks
	<p>Glossary</p> <p>(d) A $\frac{1}{3} \times 4200 = 1400 - 22\% = 1092$ B $1400 - 20\% = 1120$ C $1400 - 2\% = 1372$ D $\frac{1}{3} \times 4200 = 1400$</p> <p>(g) C of S = 34 GP = 10 P for yr. = 4 A $\frac{4}{44} \times 100 = 9.09$ B $\frac{4}{34} \times 100 = 11.76$ C $\frac{10}{44} \times 100 = 22.73$ D $\frac{10}{34} \times 100 = 29.41$</p> <p>(j) A book value after 5 years $(18\,000 - (5 \times 2700)) = 4500$ B book value after 4 years $(18\,000 - (4 \times 2700)) = 7200$ C dep for 4 years $(4 \times 2700) = 10\,800$ D dep for 5 years $(5 \times 2700) = 13\,500$</p>	

Question	Answer	Marks										
2(a)	(i) \$59 (1) (ii) \$826 (1) (iii) \$3304 (1)	3										
2(b)	Kadir	1										
2(c)	Goods returned not as ordered Goods returned as damaged/faulty Or other suitable reason – excluding overcharge Any 1 reason (1)	1										
2(d)	The amount on the credit note must equal the amount originally charged for those goods, so trade discount must be deducted from the list price. (1) Trade discount was deducted on invoice or when purchased. (1)	1										
2(e)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">book of prime (original) entry used by Aisha</td> <td style="width: 50%; text-align: center;">book of prime (original) entry used by Kadir</td> </tr> <tr> <td style="text-align: center;">purchases returns journal (1)</td> <td style="text-align: center;">sales returns journal (1)</td> </tr> </table>	book of prime (original) entry used by Aisha	book of prime (original) entry used by Kadir	purchases returns journal (1)	sales returns journal (1)	2						
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2(f)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; text-align: center;">document</td> <td style="text-align: center;">book of prime (original) entry used by Aisha</td> </tr> <tr> <td>invoice</td> <td>purchases journal (1)</td> </tr> <tr> <td>debit note</td> <td>no entry (1)</td> </tr> <tr> <td>cheque</td> <td>cash book (1)</td> </tr> <tr> <td>statement of account</td> <td>no entry (1)</td> </tr> </table>	document	book of prime (original) entry used by Aisha	invoice	purchases journal (1)	debit note	no entry (1)	cheque	cash book (1)	statement of account	no entry (1)	4
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cheque	cash book (1)											
statement of account	no entry (1)											

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2(g)	Aisha Kadir account <table border="1" data-bbox="286 352 1346 722" style="margin: 10px auto; width: 80%;"> <thead> <tr> <th>Date 2019</th> <th>Details</th> <th>\$</th> <th>Date 2019</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>Sept 18</td> <td>Returns (1)OF</td> <td>3304</td> <td>Sept 1</td> <td>Balance b/d (1)</td> <td>3400</td> </tr> <tr> <td>27</td> <td>Bank (1)</td> <td>3332</td> <td>4</td> <td>Purchases (1)</td> <td>8960</td> </tr> <tr> <td></td> <td>Discount (1)</td> <td>68</td> <td></td> <td></td> <td></td> </tr> <tr> <td>30</td> <td>Balance c/d</td> <td><u>5656</u></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td><u>12 360</u></td> <td></td> <td></td> <td><u>12 360</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>2019</td> <td>Balance</td> <td>5656</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Oct 1</td> <td>b/d (1)OF</td> <td></td> </tr> </tbody> </table> <p data-bbox="286 759 416 791">(1) Dates</p>						Date 2019	Details	\$	Date 2019	Details	\$	Sept 18	Returns (1)OF	3304	Sept 1	Balance b/d (1)	3400	27	Bank (1)	3332	4	Purchases (1)	8960		Discount (1)	68				30	Balance c/d	<u>5656</u>						<u>12 360</u>			<u>12 360</u>				2019	Balance	5656				Oct 1	b/d (1)OF		7
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2(h)	Purchases (ledger) or trade payables						1																																																

Question	Answer	Marks										
3(a)	They can assist in locating errors They are proof of the arithmetical accuracy of the ledgers which they control They provide instant totals of the trade payables and the trade receivables They enable a draft statement of financial position to be prepared quickly or financial statements They can help to reduce fraud They provide a summary of the transactions affecting the trade payables and the trade receivables Any 2 advantages (1) each	2										
3(b)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: center;">book of prime (original) entry</td> </tr> <tr> <td>purchases returns</td> <td>purchases returns journal (1)</td> </tr> <tr> <td>contra entry</td> <td>general or nominal journal (1)</td> </tr> <tr> <td>discount received</td> <td>cash book (1)</td> </tr> <tr> <td>interest charged on overdue account</td> <td>general or nominal journal (1)</td> </tr> </table>		book of prime (original) entry	purchases returns	purchases returns journal (1)	contra entry	general or nominal journal (1)	discount received	cash book (1)	interest charged on overdue account	general or nominal journal (1)	4
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3(c)	Meaning A contra entry is an entry which appears in the purchases ledger control account (debit side) and also in the sales ledger control account (credit side) (1) Reason The entry is made when a sales ledger account is set off against a purchases ledger account of the same person/business (1) Same person is the buyer and seller (1) Any 2 reasons (1) each	2										
3(d)	Overpayment made to credit supplier Returned goods after paying the balance of the account Made payment without deducting the cash discount to which entitled Paid credit supplier in advance/prepayment/paid deposit Contra entry larger than the balance owed Any 2 reasons (1) each	2										

Question	Answer						Marks																																																											
3(e)	Timothy Sales ledger control account account						9																																																											
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4(b)	<p>To explain the reasons for the entries which are to be made in the ledger (1) Journal entries sometimes involve 'out of the ordinary' transactions (1) It is impossible to remember the reason for every entry (1) Transaction to be understood (1) Any 2 reasons (1) each</p>				2										

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4(e)	Only the rent relating to the current year or correct amount is transferred to the income statement (1) This ensures that the profit for the year is shown at a more accurate figure (1) This ensures that the expenses for the year are matched against the revenue for the year (1) Accrued rent payable at the start of the year and prepaid at the end are not included (1) Any 2 reasons (1) each					2																																										
4(f)	<p style="text-align: center;">Abiola Commission receivable account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 15%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>2018 Sept 1</td> <td>Balance b/d (1)</td> <td style="text-align: right;">350</td> <td>2018 Sept 30</td> <td>Bank }</td> <td style="text-align: right;">350</td> </tr> <tr> <td>2019 Aug 31</td> <td>Income statement (1)OF</td> <td style="text-align: right;">1600</td> <td>2019 Jan 31</td> <td>Bank }(1)</td> <td style="text-align: right;">425</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2019 Apr 30</td> <td>Bank }</td> <td style="text-align: right;">395</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2019 July 31</td> <td>Bank }</td> <td style="text-align: right;">470</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>1950</u></td> <td>2019 Aug 31</td> <td>Balance c/d</td> <td style="text-align: right;"><u>310</u></td> </tr> <tr> <td>2019 Sept 1</td> <td>Balance b/d (1)</td> <td style="text-align: right;">310</td> <td></td> <td></td> <td style="text-align: right;"><u>1950</u></td> </tr> </tbody> </table> <p>(1) Dates</p>					Date	Details	\$	Date	Details	\$	2018 Sept 1	Balance b/d (1)	350	2018 Sept 30	Bank }	350	2019 Aug 31	Income statement (1)OF	1600	2019 Jan 31	Bank }(1)	425				2019 Apr 30	Bank }	395				2019 July 31	Bank }	470			<u>1950</u>	2019 Aug 31	Balance c/d	<u>310</u>	2019 Sept 1	Balance b/d (1)	310			<u>1950</u>	5
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5(a)	Amounts paid by members of a club/society to use the facilities provided by that club/society	1																																												
5(b)	<p style="text-align: center;">\$</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Subscriptions due for the year (50 × \$85)</td> <td style="text-align: right;">4250 (1)</td> </tr> <tr> <td>Add amount prepaid for following year (10 × \$85)</td> <td style="text-align: right;"><u>850 (1)</u></td> </tr> <tr> <td></td> <td style="text-align: right;">5100</td> </tr> <tr> <td>Less amount prepaid at start of year (14 × \$85)</td> <td style="text-align: right;"><u>1190 (1)</u></td> </tr> <tr> <td></td> <td style="text-align: right;">3910</td> </tr> <tr> <td>Less amount unpaid at end of year (22 × \$85)</td> <td style="text-align: right;"><u>1870 (1)</u></td> </tr> <tr> <td>Subscriptions received during the year</td> <td style="text-align: right;"><u>2040 (1)OF</u></td> </tr> </table> <p>Alternative presentation</p> <p style="text-align: center;">KW Club Subscriptions account</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>2019 Sept 30</td> <td>Income and expenditure (1)</td> <td style="text-align: right;">4250</td> <td>2018 Oct 1</td> <td>Balance b/d (1)</td> <td style="text-align: right;">1190</td> </tr> <tr> <td></td> <td>Balance c/d (1)</td> <td style="text-align: right;">850</td> <td>2019 Sept 30</td> <td>Bank/cash (1)OF</td> <td style="text-align: right;">2040</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>5100</u></td> <td></td> <td>Balance c/d (1)</td> <td style="text-align: right;"><u>1870</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>5100</u></td> </tr> </tbody> </table>	Subscriptions due for the year (50 × \$85)	4250 (1)	Add amount prepaid for following year (10 × \$85)	<u>850 (1)</u>		5100	Less amount prepaid at start of year (14 × \$85)	<u>1190 (1)</u>		3910	Less amount unpaid at end of year (22 × \$85)	<u>1870 (1)</u>	Subscriptions received during the year	<u>2040 (1)OF</u>	Date	Details	\$	Date	Details	\$	2019 Sept 30	Income and expenditure (1)	4250	2018 Oct 1	Balance b/d (1)	1190		Balance c/d (1)	850	2019 Sept 30	Bank/cash (1)OF	2040			<u>5100</u>		Balance c/d (1)	<u>1870</u>						<u>5100</u>	5
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	Balance c/d (1)	850	2019 Sept 30	Bank/cash (1)OF	2040																																									
		<u>5100</u>		Balance c/d (1)	<u>1870</u>																																									
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5(c)	<p>If all members pay the bank balance should improve (1) by \$1000 or \$4250 to \$5250 (1)</p> <p>Should reduce deficit/increase surplus or increase income (1) by \$1000 or \$4250 to \$5250 (1)</p> <p>May mean that more members are late in paying their subscription or subscriptions accrued increases (1) already have 22 members who are in arrears (1)</p> <p>May mean that members leave the club (1) if they cannot afford the extra amount or if can find a similar cheaper club (1)</p> <p>Or other acceptable comments</p> <p>Any 4 comments</p>	4																																												

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5(d)	<p>Possible answers include:</p> <table border="1" data-bbox="286 317 1861 711"> <thead> <tr> <th data-bbox="286 317 1072 381">Income and expenditure account</th> <th data-bbox="1072 317 1861 381">Receipts and payments account</th> </tr> </thead> <tbody> <tr> <td data-bbox="286 381 1072 448">Equivalent to income statement</td> <td data-bbox="1072 381 1861 448">Summary of a cash book</td> </tr> <tr> <td data-bbox="286 448 1072 515">Used to calculate surplus or deficit</td> <td data-bbox="1072 448 1861 515">Shows the bank balance</td> </tr> <tr> <td data-bbox="286 515 1072 582">Items adjusted for accruals and payments</td> <td data-bbox="1072 515 1861 582">Requires payments and receipts irrespective of period</td> </tr> <tr> <td data-bbox="286 582 1072 649">Includes only revenue items</td> <td data-bbox="1072 582 1861 649">Includes capital (non-current assets) and revenue items</td> </tr> <tr> <td data-bbox="286 649 1072 711">Includes non-cash items eg depreciation</td> <td data-bbox="1072 649 1861 711">Includes all cash items not depreciation</td> </tr> </tbody> </table> <p>Max 4 marks (1 mark for each relevant statement) Accept other valid points.</p>	Income and expenditure account	Receipts and payments account	Equivalent to income statement	Summary of a cash book	Used to calculate surplus or deficit	Shows the bank balance	Items adjusted for accruals and payments	Requires payments and receipts irrespective of period	Includes only revenue items	Includes capital (non-current assets) and revenue items	Includes non-cash items eg depreciation	Includes all cash items not depreciation	4															
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6(c)	<p>Higher profit Lower capital employed/lower capital/lower long term liabilities Any 2 reasons (1) each</p>			2																																							

Question	Answer	Marks
6(d)	Share losses Share responsibilities Share or spread risks Share decision-making Additional finance or capital may be available Additional skills and experience are available Any 2 advantages (1) each	2
6(e)	Share profits Decisions must be recognised by all partners Decisions may take longer to implement One partner's actions can bind the other partners Disagreements can occur All partners are responsible for the debts of the business Other partner takes too much drawings Do not have full control Any 2 disadvantages (1) each	2

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6(f)	Amrit and Neena Estimated Profit and Loss Appropriation Account for the year ending 31 July 2019			6																																													
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