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**ACCOUNTING**

**0452/12**

Paper 1

**October/November 2018**

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.

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 2018 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

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This document consists of **19** printed pages.

**PUBLISHED****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
	Glossary  <b>(d)</b> A $10\,000 \times 0.15$ B $10\,000 \times (0.4 - 0.15)$ C $10\,000 \times (1 - 0.4)$ D $10\,000 \times (1 - 0.15)$  <b>(e)</b> A $48\,700 - 29\,100 - 8000$ B $48\,700 - 8000$ C $67\,400 + 48\,700 - 29\,100 - 8000$ D $67\,400 + 48\,700 - 8000$  <b>(h)</b> A $1750 + 858$ B $1750 + 924$ C $1850 + 858$ D $1850 + 924$	
1(a)	D	1
1(b)	B	1
1(c)	D	1
1(d)	B	1
1(e)	D	1
1(f)	A	1
1(g)	C	1
1(h)	A	1
1(i)	C	1
1(j)	B	1

Question	Answer	Marks																																		
2(a)	<p style="text-align: center;">Jennifer Journal</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th data-bbox="703 316 896 413">Date 2018</th> <th data-bbox="896 316 1346 413"></th> <th data-bbox="1346 316 1480 413">Debit \$</th> <th data-bbox="1480 316 1796 413">Credit \$</th> </tr> </thead> <tbody> <tr> <td data-bbox="703 413 896 480">Jun 1</td> <td data-bbox="896 413 1346 480">Delivery van/Motor vehicles</td> <td data-bbox="1346 413 1480 480">15 000</td> <td data-bbox="1480 413 1796 480" rowspan="2" style="text-align: center;">} (1) both</td> </tr> <tr> <td data-bbox="703 480 896 547"></td> <td data-bbox="896 480 1346 547">Fixtures and fittings</td> <td data-bbox="1346 480 1480 547">2 700</td> </tr> <tr> <td data-bbox="703 547 896 614"></td> <td data-bbox="896 547 1346 614">Inventory</td> <td data-bbox="1346 547 1480 614">6 200</td> <td data-bbox="1480 547 1796 614" rowspan="2" style="text-align: center;">} (1) both</td> </tr> <tr> <td data-bbox="703 614 896 681"></td> <td data-bbox="896 614 1346 681">Cash</td> <td data-bbox="1346 614 1480 681">1 500</td> </tr> <tr> <td data-bbox="703 681 896 748"></td> <td data-bbox="896 681 1346 748">Loan from Amina</td> <td data-bbox="1346 681 1480 748"></td> <td data-bbox="1480 681 1796 748">5 000 (1)</td> </tr> <tr> <td data-bbox="703 748 896 815"></td> <td data-bbox="896 748 1346 815">Capital</td> <td data-bbox="1346 748 1480 815"></td> <td data-bbox="1480 748 1796 815">20 400 (1)</td> </tr> <tr> <td data-bbox="703 815 896 882"></td> <td data-bbox="896 815 1346 882"></td> <td data-bbox="1346 815 1480 882">25 400</td> <td data-bbox="1480 815 1796 882">25 400</td> </tr> <tr> <td data-bbox="703 882 896 971"></td> <td data-bbox="896 882 1346 971">Assets, liabilities and capital at the start of the business (1)</td> <td data-bbox="1346 882 1480 971"></td> <td data-bbox="1480 882 1796 971"></td> </tr> </tbody> </table>	Date 2018		Debit \$	Credit \$	Jun 1	Delivery van/Motor vehicles	15 000	} (1) both		Fixtures and fittings	2 700		Inventory	6 200	} (1) both		Cash	1 500		Loan from Amina		5 000 (1)		Capital		20 400 (1)			25 400	25 400		Assets, liabilities and capital at the start of the business (1)			<b>5</b>
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2(b)	Useful because it may be necessary to recall the reasons/it can involve non-regular transactions/can contain a reference to any prime documents. <b>(1 mark for any acceptable purpose)</b>	<b>1</b>																																		

Question	Answer	Marks
2(c)	Purchase/sale of non-current assets on credit Non-regular transactions not recorded in any other book of prime entry Correction of errors Year end transfers <b>(1 mark per use – maximum 2)</b>	<b>2</b>
2(d)	2 October 2018 Purchased office equipment <b>(1)</b> , for cash <b>(1)</b>  3 October 2018 Purchased motor vehicle <b>(1)</b> , on credit <b>(1)</b>  4 October 2018 Took drawings <b>(1)</b> , in cash <b>(1)</b>	<b>6</b>
2(e)	Duality	<b>1</b>
2(f)(i)	What the business owns and what is owed to the business	<b>1</b>
2(f)(ii)	What the business owes	<b>1</b>
2(f)(iii)	Resources provided by the owner of the business/what the business owes to the owner of the business	<b>1</b>
2(g)	Statement of the assets, liabilities, capital <b>(1)</b> of the business on a certain date <b>(1)</b>	<b>2</b>

Question	Answer	Marks																																							
3(a)	<p style="text-align: center;">Saul Corrected Trial Balance at 31 March 2018</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Debit \$</th> <th style="text-align: center;">Credit \$</th> </tr> </thead> <tbody> <tr> <td>Motor vehicle at net book value</td> <td style="text-align: center;">38 000</td> <td></td> </tr> <tr> <td>Revenue</td> <td></td> <td style="text-align: center;">109 000 (1)</td> </tr> <tr> <td>Purchases</td> <td style="text-align: center;">80 230 (1)</td> <td></td> </tr> <tr> <td>Inventory</td> <td style="text-align: center;">5 100 (1)</td> <td></td> </tr> <tr> <td>Bank overdraft</td> <td></td> <td style="text-align: center;">13 900 (1)</td> </tr> <tr> <td>Cash in hand</td> <td style="text-align: center;">1 500</td> <td></td> </tr> <tr> <td>Drawings</td> <td style="text-align: center;">6 500 (1)</td> <td></td> </tr> <tr> <td>Discount allowed</td> <td style="text-align: center;">720 (1)</td> <td></td> </tr> <tr> <td>Other operating expenses</td> <td style="text-align: center;">9 350</td> <td></td> </tr> <tr> <td>Wages and salaries</td> <td style="text-align: center;">16 500</td> <td></td> </tr> <tr> <td>Capital</td> <td></td> <td style="text-align: center;">35 000</td> </tr> <tr> <td><b>1 OF if matching totals</b></td> <td style="text-align: center;"><b>157 900</b></td> <td style="text-align: center;"><b>157 900</b></td> </tr> </tbody> </table>		Debit \$	Credit \$	Motor vehicle at net book value	38 000		Revenue		109 000 (1)	Purchases	80 230 (1)		Inventory	5 100 (1)		Bank overdraft		13 900 (1)	Cash in hand	1 500		Drawings	6 500 (1)		Discount allowed	720 (1)		Other operating expenses	9 350		Wages and salaries	16 500		Capital		35 000	<b>1 OF if matching totals</b>	<b>157 900</b>	<b>157 900</b>	<b>7</b>
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3(b)	A book in which transactions are recorded before being entered in the ledger. Or books used to record information from source documents	<b>1</b>																																							

Question	Answer	Marks														
3(c)	<table border="1"> <tbody> <tr> <td data-bbox="593 279 1187 343"></td> <td data-bbox="1187 279 1702 343">Book of prime (original) entry</td> </tr> <tr> <td data-bbox="593 343 1187 406">Purchases</td> <td data-bbox="1187 343 1702 406"><i>Purchases journal</i></td> </tr> <tr> <td data-bbox="593 406 1187 502">Cash and cheques received from credit customers</td> <td data-bbox="1187 406 1702 502">Cash book <b>(1)</b></td> </tr> <tr> <td data-bbox="593 502 1187 566">Bad debts written off</td> <td data-bbox="1187 502 1702 566">(General) journal <b>(1)</b></td> </tr> <tr> <td data-bbox="593 566 1187 630">Discount received from credit suppliers</td> <td data-bbox="1187 566 1702 630">Cash book <b>(1)</b></td> </tr> <tr> <td data-bbox="593 630 1187 694">Sales returns</td> <td data-bbox="1187 630 1702 694">Sales returns journal <b>(1)</b></td> </tr> <tr> <td data-bbox="593 694 1187 758">Interest charged by credit suppliers</td> <td data-bbox="1187 694 1702 758">(General) journal <b>(1)</b></td> </tr> </tbody> </table>		Book of prime (original) entry	Purchases	<i>Purchases journal</i>	Cash and cheques received from credit customers	Cash book <b>(1)</b>	Bad debts written off	(General) journal <b>(1)</b>	Discount received from credit suppliers	Cash book <b>(1)</b>	Sales returns	Sales returns journal <b>(1)</b>	Interest charged by credit suppliers	(General) journal <b>(1)</b>	<b>5</b>
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3(d)	Saul Sales ledger control account						<b>10</b>																																																																					
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3(e)	Helps to prove the arithmetical accuracy of sales ledger Helps to reduce fraud Can (assist in) locating errors, allow help, identify errors Easy access to total receivables figure Quicker production of financial statements Provides a summary of transactions relating to trade receivables <b>(1 mark per benefit, maximum 2)</b>	<b>2</b>

Question	Answer					Marks																															
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<p>4(d)</p>	<p style="text-align: center;">Khalid                      Provision for depreciation account for office equipment</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date 2018</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 15%;">Date 2017</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>Mar 31</td> <td>Disposal (1) Balance c/d</td> <td style="text-align: right;">300 5 300</td> <td>Apr 1</td> <td>Balance b/d</td> <td style="text-align: right;">3 600</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;"><u>5 600</u></td> <td>Mar 31</td> <td>Income Statement *</td> <td style="text-align: right;"><u>2 000</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Apr 1</td> <td>Balance b/d (1) OF</td> <td style="text-align: right;"><u>5 600</u> 5 300</td> </tr> </tbody> </table> <p>* <math>2\,500 \times 0.2 = 500</math> (1)                      * <math>(9\,000 - 1\,500) \times 0.2 = 1\,500</math> (1)                      + 1 dates</p>	Date 2018	Details	\$	Date 2017	Details	\$	Mar 31	Disposal (1) Balance c/d	300 5 300	Apr 1	Balance b/d	3 600			<u>5 600</u>	Mar 31	Income Statement *	<u>2 000</u>				Apr 1	Balance b/d (1) OF	<u>5 600</u> 5 300	<p style="text-align: center;"><b>5</b></p>						
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5(f)	Prudence or Accruals (matching)	<b>1</b>
5(g)	Lower sales activity/no reference to selling price Higher levels of inventory Cost of sales is decreased Cheaper suppliers <b>(or other acceptable reason)</b> <b>1 mark per point - maximum 2</b>	<b>2</b>
5(h)	Different type of goods Food is a necessity Food sells quicker than toys Food must be sold more quickly Food might spoil <b>(or other acceptable reason)</b> <b>1 mark per point - maximum 2</b>	<b>2</b>



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