



**Cambridge International Examinations**  
Cambridge International General Certificate of Secondary Education

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**ACCOUNTING**

**0452/11**

Paper 1

**May/June 2016**

MARK SCHEME

Maximum Mark: 120

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**Published**

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1 (a) A

(b) A

(c) D

(d) C

(e) B

(f) A

(g) C

(h) B

(i) C

(j) B

2 (a) capital at start of year **plus** profit for the year **plus** capital introduced **minus** drawings [1]  
= capital at end of year (1)

(b)

	Account(s) debited\$		Account(s) credited\$	
1	<i>Purchases</i>	1 000	<i>Pamela</i>	1 000
2	Delivery van	17 000 (1)	Bank AM Motors	12 000 (1) 5 000 (1)
3	Wages	250 (1)	Bank	250 (1)
4	Ali	960 (1)	Sales	960 (1)
5	Cash	110 (1)	Bank	110 (1)

[9]

(c) Transaction 3 (1)

[1]

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(d) Transaction 4 (1) [2]

\$360 (1)

(e) Transaction 5 (1) [1]

(f) capital employed = owner's capital + non-current liabilities (1) [1]

**OR**

capital employed = total assets – current liabilities (1)

(g) cash book (1) [1]

(h) general journal (1) [1]

(i)

	asset	liability	expense	income
premises	✓			
accrued wages		✓		
decrease in provision for doubtful debts				✓
bank loan		✓		
depreciation charge			✓	
carriage outwards			✓	

Any two items correct for (1) mark [3]

[Total: 20]

3 (a)

It contains details of the quantity and price of goods supplied.	False (1)
It shows the value of trade discount given.	False (1)
It shows the balance owing at the start of the period.	True (1)
It is sent to remind the customer of the amount owed.	True (1)

[4]

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**(b)**

	Dilip	James
invoice	✓ (1)	
credit note	✓ (1)	
debit note		✓ (1)

[3]

**(c)** Dilip – sales returns journal (1)

James – purchases returns journal (1)

[2]

**(d)** Invoice – when goods are sold (1)

Credit note – when goods are returned (1)

Statement of account – at end of the period, usually a month (1)

[3]

**(e)**

		Dilip		James account			
2016		\$		2016		\$	
Mar 1	Balance b/d	300	(1)	Mar 3	Bank	291	(1)
6	Sales	496	(1)		Discount allowed	9	(1)
				13	Sales returns	144	(1)
				31	Balance c/d	352	
		<u>796</u>				<u>796</u>	
Apr 1	Balance b/d	352	(1of)				
	<b>+(1)</b> for dates						

[7]

**(f)** Item – trade receivables (1)

Section – current assets (1)

[2]

**(g)** For early payment (1)

[1]

[Total: 22]

4 (a)

Name of accounting principle or policy	Explanation
<i>Duality</i>	<i>Every transaction has a two-fold aspect</i>
Prudence (1)	Profits should not be overstated
Money measurement (1)	Financial statements only include items which can be expressed in monetary terms
Going concern	Accounting assumes that a business will continue to operate indefinitely (1)
Business entity	A distinction is made between the financial transactions of a business and those of its owner(s) (1)
Reliability (1)	Accounting information should be free from error and bias
Consistency	The same accounting treatment should be applied to similar items at all times (1)

[6]

- (b) different accounting policies  
different locations  
different capital structures  
different type of business  
different type of goods sold  
different year end  
non-monetary items  
different size of business

Accept other reasonable answer

Any two for (1) mark each

[2]

(c)

User	Reason
Bank manager	To make decision regarding loan or overdraft (1)
Credit supplier	To ensure credit worthiness of customer (1) To establish credit limit (1)
Investor	To see the return on his investment (1)

Other reasonable answers accepted.

[3]

(d) Prime cost = direct materials **plus** direct labour **(1)** **plus** direct expenses **(1)** [2]

(e)

	manufacturing account	income statement
depreciation of factory machinery	✓	
depreciation of delivery van		✓
royalties	✓	
factory rent	✓	
salesman's commission		✓
factory supervisor's salary	✓	
sales returns		✓
closing inventory of work in progress	✓	

**(1)** mark for any **two** items correct [4]

(f) Items of production which are partial completed **(1)** [1]

(g) Because a boat takes longer to make than a bread roll **(1)** [1]

[Total: 19]

5 (a)

Rohinton  
Cash book (bank columns only)

		\$			\$	
2016				2016		
Feb 1	Balance b/d	3 188	<b>(1)</b>	Feb 1	Insurance	720 <b>(1)</b>
					Balance c/d	2 468
		3 188				3 188
Feb 1	Balance b/d	2 468	<b>(1of)</b>			

[3]

(b)

Rohinton			
Bank reconciliation statement at 31 January 2016			
	\$		\$
Balance per updated cash book (1)			2 468 (1of)
Add: unpresented cheques – Arun	402	(1)	
– Charles	<u>780</u>	<u>(1)</u>	<u>1 182</u>
			3 650
Less: uncredited deposit – Ling			<u>(195) (1)</u>
Balance per bank statement (1)			<u>3 455 (1)</u>

OR

Rohinton			
Bank reconciliation statement at 31 January 2016			
	\$		\$
Balance per bank statement (1)			3 455 (1)
Less: unpresented cheques – Arun	402	(1)	
– Charles	<u>780</u>	<u>(1)</u>	<u>(1 182)</u>
			2 273
Add: uncredited deposit – Ling			<u>195 (1)</u>
Balance per updated cash book (1)			<u>2 468 (1of)</u>

[7]

(c)

Rohinton			
Statement of affairs at 31 January 2016			
	\$		\$
Non-current assets			
Fixtures and fittings – cost	4 000	(1)	
– depreciation $4000 \times 0.15 \div 12$	<u>(50)</u>	<u>(1)</u>	3 950
Current assets			
Inventory	1 211	(1)	
Trade receivable	70	(1)	
Other receivables – rent	2 000	(1)	
– insurance	<u>660</u>	<u>(1)</u>	2 660
Bank	2 468	(1of)	
Cash	<u>710</u>	<u>(1)</u>	7 119
Current liabilities			
Trade payable			<u>(550) (1)</u>
Net assets			<u>10 519</u>
Capital			<u>10 519 (1of)</u>

[10]

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(d)

	\$	
Capital – at 31 January 2016	10 519	<b>(1of)</b>
– at 1 January 2016	<u>10 000</u>	<b>(1)</b>
Profit for the month	<u>519</u>	<b>(1of)</b>

[3]

[Total: 23]

6 (a) Annual depreciation \$3720 (1)

$$11\ 160(1) / 3720 = 3 \text{ years } (1)$$

[3]

(b)

David and Harold  
Income Statement for the year ended 31 March 2016

	\$		\$	
Revenue (sales)			142 000	<b>(1)</b>
Inventory at 1 April 2015	36 000			
Purchases	<u>83 100</u>	<b>(1)</b>		
	119 100			
Inventory at 31 March 2016	<u>26 800</u>			
Cost of sales			<u>92 300</u>	<b>(1)</b>
Gross profit			49 700	<b>(1of)</b>
Depreciation	3 720	<b>(1of)</b>		
Rent	12 000	}		
Wages	16 500	}(1)		
Other operating expenses	<u>11 300</u>	<b>(1)</b>		
			<u>43 520</u>	
Profit for the year			<u>6 180</u>	<b>(1of)</b>

[8]

(c)

David and Harold  
Appropriation Account for the year ended 31 March 2016

		\$	
Profit for the year		6 180	<b>(1of)</b>
Salary – David		<u>(12 000)</u>	<b>(1)</b>
		(5 820)	
Share of residual loss – David	(3 880)		
– Harold	(1 940)	(5 820)	<b>(1of)</b>

[3]



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(d)

	\$	
Salary	12 000	(1of)
Share of loss	<u>(3 880)</u>	(1of)
Total	<u>8 120</u>	(1of)

[3]

(e) Interest on drawings might encourage partners to reduce drawings. (1)

[1]

(f)  $\frac{49700}{142000} \text{ (1of)} \times \frac{100}{1} = 35\% \text{ (1of)}$

[2]

(g) Cost of sales =  $[142\,000 \text{ (1)} \times (1 - 0.45)\text{(1)}] = \$78\,100 \text{ (1)}$

$(36\,000 + 83\,100) \text{ (1)} - 78\,100 = 41\,000 \text{ (1)}$

OR

	\$	
Opening inventory	36 000	}
Purchases	83 100	}{(1)}
Cost of sales	<u>(78 100)*</u>	(3)
Expected closing inventory	<u>41 000</u>	(1of)

$*142\,000 \text{ (1)} - 63\,900 \text{ (1)} = \$78\,100 \text{ (1)}$

[5]

(h) Any reasonable answer for (1) mark

[1]

E.g. Theft, pilferage, damage, obsolescence, more/higher sales activity

[Total: 26]