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**ACCOUNTING****0452/22**

Paper 2

**October/November 2019**

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 2019 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 **20** 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)	<p>Tebogo Sales Journal</p> <table border="1" style="margin: auto;"> <thead> <tr> <th data-bbox="640 357 779 424">Date</th> <th data-bbox="779 357 1263 424">Details</th> <th data-bbox="1263 357 1402 424">\$</th> <th data-bbox="1402 357 1541 424">\$</th> <th data-bbox="1541 357 1608 424"></th> </tr> </thead> <tbody> <tr> <td data-bbox="640 440 779 507">2019 Aug 6</td> <td data-bbox="779 440 1263 507">Kayla</td> <td data-bbox="1263 440 1402 507">1400</td> <td data-bbox="1402 440 1541 507"></td> <td data-bbox="1541 440 1608 507"></td> </tr> <tr> <td></td> <td data-bbox="779 507 1263 542">Less 20% trade discount</td> <td data-bbox="1263 507 1402 542"><u>280</u></td> <td data-bbox="1402 507 1541 542">1120</td> <td data-bbox="1541 507 1608 542"><b>(1)</b></td> </tr> <tr> <td data-bbox="640 571 779 606">18</td> <td data-bbox="779 571 1263 606">Nyack</td> <td data-bbox="1263 571 1402 606"></td> <td data-bbox="1402 571 1541 606">620</td> <td data-bbox="1541 571 1608 606">}</td> </tr> <tr> <td data-bbox="640 635 779 670">30</td> <td data-bbox="779 635 1263 670">Kayla</td> <td data-bbox="1263 635 1402 670"></td> <td data-bbox="1402 635 1541 670">160</td> <td data-bbox="1541 635 1608 670">}</td> </tr> <tr> <td data-bbox="640 699 779 734">31</td> <td data-bbox="779 699 1263 734">Transfer to sales account</td> <td data-bbox="1263 699 1402 734"></td> <td data-bbox="1402 699 1541 734"><u>1900</u></td> <td data-bbox="1541 699 1608 734"><b>(1)</b></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td data-bbox="1541 734 1608 769"><b>OF</b></td> </tr> </tbody> </table> <p style="text-align: center;">Tebogo Sales Returns Journal</p> <table border="1" style="margin: auto;"> <thead> <tr> <th data-bbox="640 935 779 1002">Date</th> <th data-bbox="779 935 1263 1002">Details</th> <th data-bbox="1263 935 1402 1002">\$</th> <th data-bbox="1402 935 1541 1002">\$</th> <th data-bbox="1541 935 1608 1002"></th> </tr> </thead> <tbody> <tr> <td data-bbox="640 1018 779 1085">2019 Aug 12</td> <td data-bbox="779 1018 1263 1085">Kayla</td> <td data-bbox="1263 1018 1402 1085">300</td> <td data-bbox="1402 1018 1541 1085"></td> <td data-bbox="1541 1018 1608 1085"></td> </tr> <tr> <td></td> <td data-bbox="779 1085 1263 1120">Less 20% trade discount</td> <td data-bbox="1263 1085 1402 1120"><u>60</u></td> <td data-bbox="1402 1085 1541 1120">240</td> <td data-bbox="1541 1085 1608 1120"><b>(1)</b></td> </tr> <tr> <td data-bbox="640 1149 779 1184">24</td> <td data-bbox="779 1149 1263 1184">Nyack</td> <td data-bbox="1263 1149 1402 1184"></td> <td data-bbox="1402 1149 1541 1184">155</td> <td data-bbox="1541 1149 1608 1184">}</td> </tr> <tr> <td data-bbox="640 1212 779 1248">31</td> <td data-bbox="779 1212 1263 1248">Transfer to sales returns account</td> <td data-bbox="1263 1212 1402 1248"></td> <td data-bbox="1402 1212 1541 1248"><u>395</u></td> <td data-bbox="1541 1212 1608 1248"><b>(1)</b></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td data-bbox="1541 1248 1608 1283"><b>OF</b></td> </tr> </tbody> </table>				Date	Details	\$	\$		2019 Aug 6	Kayla	1400				Less 20% trade discount	<u>280</u>	1120	<b>(1)</b>	18	Nyack		620	}	30	Kayla		160	}	31	Transfer to sales account		<u>1900</u>	<b>(1)</b>					<b>OF</b>	Date	Details	\$	\$		2019 Aug 12	Kayla	300				Less 20% trade discount	<u>60</u>	240	<b>(1)</b>	24	Nyack		155	}	31	Transfer to sales returns account		<u>395</u>	<b>(1)</b>					<b>OF</b>	<b>5</b>
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Question	Answer	Marks
1(c)(ii)	Effect on liquidity – May decrease <b>(1)</b> Reason – Credit customers may take longer to pay as incentive of cash discount now reduced <b>(1)</b> <b>OR</b> Credit customers may find another supplier offering better terms <b>(1)</b> <b>OR</b> Effect on liquidity – May increase <b>(1)</b> Reason – Credit customers will pay more because cash discount reduced <b>(1)</b> <b>Or</b> Credit customers may pay quicker as credit period reduced <b>(1)</b>  <b>Or other suitable reason</b>	<b>2</b>

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



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2(c)	Amelia Computer equipment account						<b>6</b>																																									
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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 <b>Or other suitable points</b> <b>Any 2 advantages (1) each</b>	<b>2</b>

Question	Answer				Marks																																								
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Corrected profit for the year				<u>\$24 700</u> (2)CF (1)OF																																														

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

Question	Answer	Marks
6(b)	Dealing in different types of goods Furniture has a higher profit mark-up than fruit and vegetables <b>Any 2 points (1) each</b>	<b>2</b>
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. <b>Or other relevant reason</b> <b>Any 1 reason (1)</b>	<b>1</b>
6(d)	Wages, insurance of premises, bad debts, increase in provision for doubtful debts, cash discount allowed <b>Or other suitable expenses</b> <b>Any 2 expenses (1) each</b>	<b>2</b>
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 <b>Or other relevant factors</b> <b>Any 4 factors (1) each</b>	<b>4</b>

Question	Answer	Marks
6(f)	Increase in selling price will increase margin/mark-up <b>(1)</b> so gross profit will increase <b>(1)</b> Increase in selling price may make customers go elsewhere <b>(1)</b> so gross profit will decrease <b>(1)</b>	<b>2</b>
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?  <b>Or other relevant factors</b> <b>Any 3 factors (1) each</b>	<b>3</b>