
PRINCIPLES OF ACCOUNTS

7110/22

Paper 2 Structured

May/June 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 May/June 2019 series for most Cambridge IGCSE™, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

This document consists of **16** 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.

PUBLISHED

Question	Answer								Marks								
1(a)	Steve account								5								
Date		Details	\$		Date		Details	\$									
March					March												
18	Bank	882	}(1)	1	Balance b/d	900											
	Discount	18	}Both	5	Purchases	730	(1)										
23	Purchase ret	45	(1)	9	Bank	80	(1)										
31	Balance c/d	<u>765</u>				_____											
		<u>1710</u>				<u>1710</u>											
				April													
				1	Balance b/d	765	(1)OF										
1(b)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="342 879 607 943">Date</th> <th data-bbox="607 879 1285 943">Details</th> <th data-bbox="1285 879 1930 943">Book of prime (original) entry</th> </tr> </thead> <tbody> <tr> <td data-bbox="342 943 607 1007">March 5</td> <td data-bbox="607 943 1285 1007">Received an invoice from Steve for \$730</td> <td data-bbox="1285 943 1930 1007">Purchases journal (1)</td> </tr> <tr> <td data-bbox="342 1007 607 1070">9</td> <td data-bbox="607 1007 1285 1070">Received a refund by cheque from Steve for \$80</td> <td data-bbox="1285 1007 1930 1070">Cash book (1)</td> </tr> <tr> <td data-bbox="342 1070 607 1174">18</td> <td data-bbox="607 1070 1285 1174">Sent a cheque to Steve for the balance owing on 1 March after taking 2% discount.</td> <td data-bbox="1285 1070 1930 1174">Cash book (1)</td> </tr> <tr> <td data-bbox="342 1174 607 1238">23</td> <td data-bbox="607 1174 1285 1238">Received a credit note from Steve for \$45</td> <td data-bbox="1285 1174 1930 1238">Purchases returns journal (1)</td> </tr> </tbody> </table>	Date	Details	Book of prime (original) entry	March 5	Received an invoice from Steve for \$730	Purchases journal (1)	9	Received a refund by cheque from Steve for \$80	Cash book (1)	18	Sent a cheque to Steve for the balance owing on 1 March after taking 2% discount.	Cash book (1)	23	Received a credit note from Steve for \$45	Purchases returns journal (1)	4
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23	Received a credit note from Steve for \$45	Purchases returns journal (1)															
1(c)	Purchases/trade payables ledger (1)	1															

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1(d)	<p style="text-align: center;">Mikaela Trial Balance at 31 March 2019</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">Debit \$</th> <th style="width: 20%; text-align: center;">Credit \$</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td></td> <td style="text-align: right;">9 900</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">5 500</td> <td></td> </tr> <tr> <td>Inventory</td> <td style="text-align: right;">1 750</td> <td></td> </tr> <tr> <td>Sales returns</td> <td style="text-align: right;">150 (1)</td> <td></td> </tr> <tr> <td>Carriage inwards</td> <td style="text-align: right;">600</td> <td></td> </tr> <tr> <td>Trade receivables</td> <td style="text-align: right;">1 750</td> <td></td> </tr> <tr> <td>Discount received</td> <td></td> <td style="text-align: right;">200 (1)</td> </tr> <tr> <td>Purchases returns</td> <td></td> <td style="text-align: right;">150</td> </tr> <tr> <td>Trade payables</td> <td></td> <td style="text-align: right;">1 300 (1)</td> </tr> <tr> <td>Non-current assets (book value)</td> <td style="text-align: right;">4 000</td> <td></td> </tr> <tr> <td>Bank overdraft</td> <td></td> <td style="text-align: right;">1 150</td> </tr> <tr> <td>6% bank loan</td> <td></td> <td style="text-align: right;">1 500</td> </tr> <tr> <td>Capital</td> <td></td> <td style="text-align: right;">4 750</td> </tr> <tr> <td>Drawings</td> <td style="text-align: right;">2 500</td> <td></td> </tr> <tr> <td>General expenses</td> <td style="text-align: right;">3 300</td> <td></td> </tr> <tr> <td>Suspense account (1)</td> <td></td> <td style="text-align: right;">600 (1)</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">19 550</td> <td style="text-align: right; border-top: 1px solid black;">19 550</td> </tr> <tr> <td></td> <td style="text-align: right;">Same totals (1)OF</td> <td></td> </tr> </tbody> </table>		Debit \$	Credit \$	Revenue		9 900	Purchases	5 500		Inventory	1 750		Sales returns	150 (1)		Carriage inwards	600		Trade receivables	1 750		Discount received		200 (1)	Purchases returns		150	Trade payables		1 300 (1)	Non-current assets (book value)	4 000		Bank overdraft		1 150	6% bank loan		1 500	Capital		4 750	Drawings	2 500		General expenses	3 300		Suspense account (1)		600 (1)		19 550	19 550		Same totals (1)OF		6
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1(e)	<p>Some errors do not affect the balancing of the trial balance because there is a debit entry and a credit entry of equal value. (1)</p> <p>Other errors will not have completed the double entry with entries of equal value and this error will show in a difference in the trial balance totals. (1)</p> <p>Accept other valid answers.</p>	2																																																									

Question	Answer	Marks
1(f)	Principle (1) Commission (1) Reversal (1) Compensating (1) Original entry (1) Omission (1) Max 2	2

Question	Answer				Marks																																																																												
2(a)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">account to be debited</th> <th style="width: 10%;">\$</th> <th style="width: 33%;">account to be credited</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>Bank</td> <td style="text-align: right;">240 (1)</td> <td>Aiden</td> <td style="text-align: right;">240 (1)</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>Bad debts</td> <td style="text-align: right;">360 (1)</td> <td>Aiden</td> <td style="text-align: right;">360(1)</td> </tr> </tbody> </table>				account to be debited	\$	account to be credited	\$	Bank	240 (1)	Aiden	240 (1)					Bad debts	360 (1)	Aiden	360(1)	4																																																												
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2(b)	<p>Assist in the locating of errors. Proof of arithmetical accuracy of the ledgers they control. Provide figures for total trade receivables and total trade payables. Financial statements drafted quickly because of balances from control accounts. Help to reduce fraud. Provide a summary of transactions with trade payables and trade receivables</p> <p>Accept other valid points 1 mark · Max 2 valid points</p>				2																																																																												
2(c)	<p>This may occur when a business sells goods to another business and also buys goods from that business. (1) Rather than each business sending the other a cheque they may agree to set one off against the other. (1)</p>				2																																																																												
2(d)	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="6" style="text-align: center;">Sales ledger control account</th> </tr> <tr> <th style="width: 10%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;"></th> <th style="width: 10%;">Date</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>April</td> <td></td> <td></td> <td></td> <td>April</td> <td></td> <td></td> </tr> <tr> <td>1</td> <td>Balance b/d</td> <td style="text-align: right;">2 250 (1)</td> <td></td> <td>1</td> <td>Balance b/d</td> <td style="text-align: right;">60(1)</td> </tr> <tr> <td>30</td> <td>Sales</td> <td style="text-align: right;">3 315 (1)</td> <td></td> <td>30</td> <td>Bank</td> <td style="text-align: right;">1 930 (1)</td> </tr> <tr> <td></td> <td>Bank (Refund)</td> <td style="text-align: right;">60 (1)</td> <td></td> <td></td> <td>Sales returns</td> <td style="text-align: right;">75 (1)</td> </tr> <tr> <td></td> <td>Bank (Dis'un'd Cheque)</td> <td style="text-align: right;">40 (1)</td> <td></td> <td></td> <td>Bad debt</td> <td style="text-align: right;">360 (1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">3 240</td> <td></td> <td>30</td> <td>Balance c/d</td> <td style="text-align: right; border-top: 1px solid black;">3 240</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 3px double black;">5 665</td> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 3px double black;">5 665</td> </tr> <tr> <td>May</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1</td> <td>Balance b/d</td> <td style="text-align: right;">3 240 (1)OF</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				Sales ledger control account						Date	Details	\$		Date	Details	\$	April				April			1	Balance b/d	2 250 (1)		1	Balance b/d	60(1)	30	Sales	3 315 (1)		30	Bank	1 930 (1)		Bank (Refund)	60 (1)			Sales returns	75 (1)		Bank (Dis'un'd Cheque)	40 (1)			Bad debt	360 (1)			3 240		30	Balance c/d	3 240			5 665				5 665	May							1	Balance b/d	3 240 (1)OF					9
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Question	Answer						Marks
2(e)	Provision for doubtful debts account						3
	Date	Details	\$	Date	Details	\$	
				2018			
				1 May	Balance b/d	120	
	2019			2019			
	30 April	Balance c/d	<u>162</u> (1)	30 April	Income stat'nt	<u>42</u> (1)OF	
			<u>162</u>			<u>162</u>	
				1 May	Balance b/d	162 (1)OF	

Question	Answer			Marks												
3(a)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"></th> <th style="width: 33%; text-align: center;">Workings</th> <th style="width: 33%; text-align: center;">Answer</th> </tr> </thead> <tbody> <tr> <td>Rate of turnover of inventory</td> <td style="text-align: center;"> $\frac{77\,000}{(40\,000 + 30\,000) / 2} \text{ (1)}$ </td> <td style="text-align: center;">2.2 times (1)</td> </tr> <tr> <td>Working capital ratio (current ratio)</td> <td style="text-align: center;"> $\frac{30\,000 + 60\,000}{75\,000 + 25\,000} \text{ (1)}$ </td> <td style="text-align: center;">0.9:1 (1)</td> </tr> <tr> <td>Quick ratio (acid test ratio)</td> <td style="text-align: center;"> $\frac{60\,000}{75\,000 + 25\,000} \text{ 1}$ </td> <td style="text-align: center;">0.6:1 (1)</td> </tr> </tbody> </table>				Workings	Answer	Rate of turnover of inventory	$\frac{77\,000}{(40\,000 + 30\,000) / 2} \text{ (1)}$	2.2 times (1)	Working capital ratio (current ratio)	$\frac{30\,000 + 60\,000}{75\,000 + 25\,000} \text{ (1)}$	0.9:1 (1)	Quick ratio (acid test ratio)	$\frac{60\,000}{75\,000 + 25\,000} \text{ 1}$	0.6:1 (1)	6
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3(b)	<p>The working capital ratio and quick ratio are both below the benchmarks for good liquidity in a business. (1) Trade payables are high and not covered by expected receipts from trade receivables and the bank balance. (1) The business has a significant bank overdraft and therefore limited ability to pay trade payables if they demand payment. (1)</p> <p>Max 2 Accept other valid points. Own figure rule applies.</p>			2												

Question	Answer			Marks															
3(c)	<table border="1"> <thead> <tr> <th data-bbox="338 221 786 285"></th> <th data-bbox="786 221 1592 285">Workings</th> <th data-bbox="1592 221 1935 285">Answer \$</th> </tr> </thead> <tbody> <tr> <td data-bbox="338 285 786 432">Inventory</td> <td data-bbox="786 285 1592 432"> 30 000 + 115 000 – 120 000 (1)* *120 000 workings = $180\,000 \cdot \frac{2}{3}$ </td> <td data-bbox="1592 285 1935 432">25 000 (1)</td> </tr> <tr> <td data-bbox="338 432 786 541">Trade receivables</td> <td data-bbox="786 432 1592 541"> 60 000 + 180 000 – 200 000 – 5 000 (1) two elements correct </td> <td data-bbox="1592 432 1935 541">35 000 (1)</td> </tr> <tr> <td data-bbox="338 541 786 649">Trade payables</td> <td data-bbox="786 541 1592 649"> 75 000 + 115 000 – 135 000 (1) two elements correct </td> <td data-bbox="1592 541 1935 649">55 000 (1)</td> </tr> <tr> <td data-bbox="338 649 786 786">Bank</td> <td data-bbox="786 649 1592 786"> (25 000) + 200 000 – 135 000 – 50 000 (1) three elements correct </td> <td data-bbox="1592 649 1935 786">(10 000) (1)</td> </tr> </tbody> </table>				Workings	Answer \$	Inventory	30 000 + 115 000 – 120 000 (1)* *120 000 workings = $180\,000 \cdot \frac{2}{3}$	25 000 (1)	Trade receivables	60 000 + 180 000 – 200 000 – 5 000 (1) two elements correct	35 000 (1)	Trade payables	75 000 + 115 000 – 135 000 (1) two elements correct	55 000 (1)	Bank	(25 000) + 200 000 – 135 000 – 50 000 (1) three elements correct	(10 000) (1)	8
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3(d)	<p>Has reduced the overdraft by \$15 000 from \$25 000 to \$10 000. (1)</p> <p>The cash discount offered to trade receivables appears to be working (1) with a reduced balance of \$35 000 at the end of the month. (1)</p> <p>There are now more funds to pay trade payables. The balance is falling (1) and with it the risk of disruption of supply. (1) It has reduced by \$20 000, \$75 000 to \$55 000. (1)</p> <p>The inventory levels have decreased (1) by \$5 000(1) from \$30 000 to \$25 000 than the start of the month showing that it is controlled. (1)</p> <p>Although the aim of a positive bank balance at the end of the month has not been met (1) the balance is much improved and moving towards a positive balance. (1)</p> <p>Overall current assets have reduced by \$30 000 and current liabilities by \$35 000 so overall there is a benefit (1)</p> <p>Max 4 Own figure rule applies.</p>			4															

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4(a)	<table border="1"> <thead> <tr> <th data-bbox="342 220 1108 284">Purpose</th> <th data-bbox="1108 220 1930 284">Document name</th> </tr> </thead> <tbody> <tr> <td data-bbox="342 284 1108 352">Records the hours worked by a production workers</td> <td data-bbox="1108 284 1930 352">Clock card/time sheet (1)</td> </tr> <tr> <td data-bbox="342 352 1108 451">Contains the gross pay, deductions and net pay of all production workers</td> <td data-bbox="1108 352 1930 451">Wages sheet/Payroll sheet (1)</td> </tr> </tbody> </table>	Purpose	Document name	Records the hours worked by a production workers	Clock card/time sheet (1)	Contains the gross pay, deductions and net pay of all production workers	Wages sheet/Payroll sheet (1)	2								
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4(c)	General expenses	<u>4 800</u> (1)	
		<u>79 450</u>	
		120 500 (1)OF	
	Work in progress – Opening	19 700	
	Closing	<u>(20 350)</u> (1)	
	Cost of production (1)	<u>119 850</u> (1)OF	

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Question	Answer	Marks																																																																																													
5(a)	<p style="text-align: center;">Marcel and Naomi Income Statement and Appropriation Account for the year ended 30 April 2019</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;">\$</th> <th style="width: 20%; text-align: right;">\$</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td></td> <td style="text-align: right;">328 000</td> </tr> <tr> <td>Inventory 1 May 2018</td> <td style="text-align: right;">31 300</td> <td></td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">184 000</td> <td></td> </tr> <tr> <td>Returns outwards</td> <td style="text-align: right;"><u>(17 500)</u></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">197 800(1)</td> <td></td> </tr> <tr> <td>Inventory 30 April 2019</td> <td style="text-align: right;"><u>(36 400)</u></td> <td></td> </tr> <tr> <td>Cost of sales</td> <td></td> <td style="text-align: right;"><u>(161 400)(1)</u></td> </tr> <tr> <td>Gross profit</td> <td></td> <td style="text-align: right;">166 600(1)OF</td> </tr> <tr> <td>Less expenses:</td> <td></td> <td></td> </tr> <tr> <td>General expenses 18 600 +1 150</td> <td style="text-align: right;">19 750(1)</td> <td></td> </tr> <tr> <td>Marketing 22 000 (1)</td> <td></td> <td></td> </tr> <tr> <td>Wages and salaries 46 000 – 8 000</td> <td style="text-align: right;">38 000(1)</td> <td></td> </tr> <tr> <td>Motor vehicle expenses</td> <td style="text-align: right;">17 450(1)</td> <td></td> </tr> <tr> <td>Electricity and water</td> <td style="text-align: right;">10 650(1)</td> <td></td> </tr> <tr> <td>Insurance 6 500 – 2 300</td> <td style="text-align: right;">4 200(1)</td> <td></td> </tr> <tr> <td>Depreciation: Premises</td> <td style="text-align: right;">1 800(1)</td> <td></td> </tr> <tr> <td>Motor vehicles</td> <td style="text-align: right;">18 000(1)</td> <td></td> </tr> <tr> <td>Fixtures and fittings</td> <td style="text-align: right;">10 400(1)</td> <td></td> </tr> <tr> <td>Increase in Provision for doubtful debts</td> <td style="text-align: right;"><u>1 200(1)</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>(143 450)</u></td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;">23 150</td> </tr> <tr> <td>Interest on drawings:</td> <td></td> <td></td> </tr> <tr> <td>Marcel</td> <td style="text-align: right;">500(1)</td> <td></td> </tr> <tr> <td>Naomi</td> <td style="text-align: right;"><u>600(1)</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>1 100</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">24 250</td> </tr> <tr> <td>Interest on capital:</td> <td></td> <td></td> </tr> <tr> <td>Marcel</td> <td style="text-align: right;">(3 200)(1)</td> <td></td> </tr> <tr> <td>Naomi</td> <td style="text-align: right;"><u>(2 400)(1)</u></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">(5 600)</td> <td></td> </tr> </tbody> </table>		\$	\$	Revenue		328 000	Inventory 1 May 2018	31 300		Purchases	184 000		Returns outwards	<u>(17 500)</u>			197 800(1)		Inventory 30 April 2019	<u>(36 400)</u>		Cost of sales		<u>(161 400)(1)</u>	Gross profit		166 600(1)OF	Less expenses:			General expenses 18 600 +1 150	19 750(1)		Marketing 22 000 (1)			Wages and salaries 46 000 – 8 000	38 000(1)		Motor vehicle expenses	17 450(1)		Electricity and water	10 650(1)		Insurance 6 500 – 2 300	4 200(1)		Depreciation: Premises	1 800(1)		Motor vehicles	18 000(1)		Fixtures and fittings	10 400(1)		Increase in Provision for doubtful debts	<u>1 200(1)</u>				<u>(143 450)</u>	Profit for the year		23 150	Interest on drawings:			Marcel	500(1)		Naomi	<u>600(1)</u>				<u>1 100</u>			24 250	Interest on capital:			Marcel	(3 200)(1)		Naomi	<u>(2 400)(1)</u>			(5 600)		20
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5(a)	Salary – Marcel <u>(8 000)(1)</u> <u>(13 600)</u> 10 650 Share of profit: Marcel 6 390(1) OF Naomi <u>4 260(1) OF</u> <u>10 650</u>										
5(b)	Current accounts										6
	Date	Details	Marcel		Naomi		Date	Details	Marcel	Naomi	
	2019		\$		\$		2018		\$	\$	
	April 30	Drawings interest	500		600	(1)OF	May 1	Balance b/d	300	5 100	
		Drawings	10 000		12 000	(1)	2019 April 30	Interest on capital	3 200	2 400	(1)OF
		Wages and salaries	8 000	(1)				Salary	8 000		
								Profit share	6 390	4 260	(1)OF
								Balance c/d	610	840	
			<u>18 500</u>		<u>12 600</u>				<u>18 500</u>	<u>12 600</u>	
	May 1	Balance b/d	610		840	(1)OF					
Mark awarded for both entries of Marcel and Naomi											

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5(c)	<p style="text-align: center;">Marcel and Naomi Statement of Financial Position at 30 April 2019</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 20%; text-align: center;">Cost</th> <th style="width: 20%; text-align: center;">Accumulated Depreciation</th> <th style="width: 20%; text-align: center;">Net book value</th> </tr> <tr> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Premises</td> <td style="text-align: right;">90 000</td> <td style="text-align: right;">39 800</td> <td style="text-align: right;">50 200 (1)OF</td> </tr> <tr> <td>Motor vehicles</td> <td style="text-align: right;">80 000</td> <td style="text-align: right;">26 000</td> <td style="text-align: right;">54 000 (1)OF</td> </tr> <tr> <td>Fixtures and fittings</td> <td style="text-align: right;"><u>52 000</u></td> <td style="text-align: right;"><u>33 400</u></td> <td style="text-align: right;"><u>18 600</u> (1)OF</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>222 000</u></td> <td style="text-align: right;"><u>99 200</u></td> <td style="text-align: right;">122 800</td> </tr> <tr> <td>Current assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Inventory</td> <td></td> <td style="text-align: right;">36 400 (1)</td> <td></td> </tr> <tr> <td>Trade receivables</td> <td style="text-align: right;">36 000</td> <td style="text-align: right;">(1)</td> <td></td> </tr> <tr> <td>Less Provision for doubtful debts</td> <td style="text-align: right;"><u>(1 800)</u></td> <td style="text-align: right;"><u>(1)OF</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">34 200</td> <td></td> </tr> <tr> <td>Other receivables</td> <td></td> <td style="text-align: right;"><u>2 300</u> (1)OF</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>72 900</u></td> </tr> <tr> <td>Total assets</td> <td></td> <td></td> <td style="text-align: right;"><u>195 700</u></td> </tr> <tr> <td>Capital and Liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Capital:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Marcel</td> <td></td> <td style="text-align: right;">80 000</td> <td></td> </tr> <tr> <td>Naomi</td> <td></td> <td style="text-align: right;"><u>60 000</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">140 000 (1)</td> </tr> <tr> <td>Current accounts:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Marcel</td> <td></td> <td style="text-align: right;">(610)</td> <td></td> </tr> <tr> <td>Naomi</td> <td></td> <td style="text-align: right;"><u>(840)</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>(1 450)</u> (1)OF</td> </tr> <tr> <td>Current liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Trade payables (27 500 (1) – 1 300 (1))</td> <td></td> <td style="text-align: right;">26 200</td> <td></td> </tr> <tr> <td>Other payables</td> <td></td> <td style="text-align: right;">1 150 (1)OF</td> <td></td> </tr> <tr> <td>Bank overdraft (28 500 (1) + 1 300 (1))</td> <td></td> <td style="text-align: right;"><u>29 800</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>57 150</u></td> </tr> <tr> <td>Total liabilities</td> <td></td> <td></td> <td style="text-align: right;"><u>195 700</u></td> </tr> </tbody> </table>				Cost	Accumulated Depreciation	Net book value		\$	\$	\$	Non-current assets				Premises	90 000	39 800	50 200 (1)OF	Motor vehicles	80 000	26 000	54 000 (1)OF	Fixtures and fittings	<u>52 000</u>	<u>33 400</u>	<u>18 600</u> (1)OF		<u>222 000</u>	<u>99 200</u>	122 800	Current assets				Inventory		36 400 (1)		Trade receivables	36 000	(1)		Less Provision for doubtful debts	<u>(1 800)</u>	<u>(1)OF</u>				34 200		Other receivables		<u>2 300</u> (1)OF					<u>72 900</u>	Total assets			<u>195 700</u>	Capital and Liabilities				Capital:				Marcel		80 000		Naomi		<u>60 000</u>					140 000 (1)	Current accounts:				Marcel		(610)		Naomi		<u>(840)</u>					<u>(1 450)</u> (1)OF	Current liabilities				Trade payables (27 500 (1) – 1 300 (1))		26 200		Other payables		1 150 (1)OF		Bank overdraft (28 500 (1) + 1 300 (1))		<u>29 800</u>					<u>57 150</u>	Total liabilities			<u>195 700</u>	14
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