

# Cambridge IGCSE™

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

Paper 2 Structured

**May/June 2025**

MARK SCHEME

Maximum Mark: 100

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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 May/June 2025 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 **14** 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 descriptions 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.








**Annotations guidance for centres**

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

**Annotations**

| <b>Annotation</b>   | <b>Meaning</b>  |
|---|---|
|    | Indicates a point which is relevant and rewardable                        |
|    | Indicates a point which is inaccurate/irrelevant and not rewardable       |
|    | Used when the benefit of the doubt is given in order to reward a response |
|    | An extraneous figure or item in the statement                             |
|  | Own figure  |
|  | Indicates that content has been recognised but not rewarded               |
|  | Indicates where content has been repeated.                                |

| Question   | Answer              |             |                 |       |       |       |                    |              |      |      | Marks     |
|--|---------------------|-------------|-----------------|-------|-------|-------|--------------------|--------------|------|------|-----------|
| 1(a)   | Kadima<br>Cash Book |             |                 |       |       |       |                    |              |      |      | <b>12</b> |
|  | Date                | Details     | Disc<br>Allowed | Cash  | Bank  | Date  | Details            | Disc<br>Rece | Cash | Bank |           |
|  | 2025                |             | \$              | \$    | \$    | 2025  |                    | \$           | \$   | \$   |           |
|  | Mar 1               | Balance b/d |                 | 50    | 840   | Mar 4 | Lee                |              |      | 196  |           |
|  | 6                   | Sophiah (1) | 9               |       | 291   | 14    | Motor expenses (1) |              | 26   |      |           |
|  | 19                  | Merve (1)   |                 |       | 375   | 22    | Mark (1)           | 10           |      | 240  |           |
|  | 28                  | Bank*       |                 | 400   |       | 28    | Cash (1)*          |              |      | 400  |           |
|  |                     |             |                 |       |       | 29    | Wages (1)          |              | 362  |      |           |
|  |                     |             |                 |       |       | 30    | Motor expenses (1) |              |      | 91   |           |
|  |                     |             |                 |       |       | 31    | Balance c/d        |              | 62   | 579  |           |
|  |                     |             | 9**             | 450   | 1506  |       | (1)OF              | 14**         | 450  | 1506 |           |
|  | Apr 1               | Balance b/d |                 | 62    | 579   |       |                    |              |      |      |           |
|  |                     |             |                 | (1)OF | (1)OF |       |                    |              |      |      |           |
| <p>(1)* for both entries of transfer of cash to bank<br/>                     ** for both totals<br/>                     +(1) for dates</p> |                     |             |                 |       |       |       |                    |              |      |      |           |

| Question                    | Answer   | Marks    |    |  |                   |     |       |                             |      |     |                           |     |       |          |
|-----------------------------|--|----------|----|--|-------------------|-----|-------|-----------------------------|------|-----|---------------------------|-----|-------|----------|
| 1(b)                        | <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td>Cash book balance</td> <td style="text-align: right;">579</td> <td style="text-align: right;">(1)OF</td> </tr> <tr> <td>Cash book error (357 – 375)</td> <td style="text-align: right;">(18)</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Revised cash book balance</td> <td style="text-align: right; border-top: 1px solid black;">561</td> <td style="text-align: right; border-top: 1px solid black;">(1)OF</td> </tr> </table>  |          | \$ |  | Cash book balance | 579 | (1)OF | Cash book error (357 – 375) | (18) | (1) | Revised cash book balance | 561 | (1)OF | <b>3</b> |
|                             | \$   |          |    |  |                   |     |       |                             |      |     |                           |     |       |          |
| Cash book balance           | 579  | (1)OF    |    |  |                   |     |       |                             |      |     |                           |     |       |          |
| Cash book error (357 – 375) | (18)   | (1)      |    |  |                   |     |       |                             |      |     |                           |     |       |          |
| Revised cash book balance   | 561  | (1)OF    |    |  |                   |     |       |                             |      |     |                           |     |       |          |
| 1(c)                        | <p><b>For requiring bank transfers and increased cash discount</b></p> <p>Record keeping would be easier (1)<br/> Increase in cash discount may attract more customers / increase sales (1)<br/> Most businesses use bank transfers (1)<br/> Money is usually safer in the bank, than being held in cash / reduces risk of theft / fraud (1)<br/> No need to visit the bank to pay in cheques (1)<br/> Cheques may be returned unpaid (1)<br/> Cheques take time to clear (1)<br/> <b>Accept other valid points</b></p> <p><b>Max (3)</b></p> <p><b>Against requiring bank transfers and increased cash discount</b></p> <p>Increased cash discount allowed would reduce profitability (1)<br/> Bank charges may increase (1)<br/> Some customers/suppliers may prefer to deal in cash/cheques (1)<br/> Not all customers may have a bank account (1)<br/> Employees may prefer to continue to be paid in cash (1)<br/> <b>Accept other valid points</b></p> <p><b>Max (3)</b></p> <p><b>Overall For and Against: Max (4)</b><br/> <b>Recommendation (1)</b></p> | <b>5</b> |    |  |                   |     |       |                             |      |     |                           |     |       |          |

| Question                           | Answer   | Marks        |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
|------------------------------------|--|--------------|--------------|---------------------------|---------------------|---------|--------|--------------------------------|--------------|--------|-------|-----------------|-------|--|----------------------------|--------|------|--|--|----------------------------|-------------|-------|--------|---------------------------|-------|--|-------|--|----------------|------------|--------|--|--|--------|------------------------------------|-----------------------|-------|----------------------|---------------|--------|--|--|--------|----------|--|--|-------|-------------------|-------|----------|
| 2(a)                               | <p>Farah and Salma<br/>                     Appropriation Account for the year ended 28 February 2025</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;">38 175</td> </tr> <tr> <td>Add Interest on drawings Farah</td> <td style="text-align: right;">*95 (1)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Salma</td> <td style="text-align: right;">**210 (1)</td> <td style="text-align: right;">305</td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; text-align: right;"></td> <td style="border-top: 1px solid black; text-align: right;">38 480</td> </tr> <tr> <td>Less</td> <td></td> <td></td> </tr> <tr> <td>Interest on capital: Farah</td> <td style="text-align: right;">1 040 }</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Salma</td> <td style="text-align: right;">1 500 } (1)</td> <td></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; text-align: right;">2 540</td> <td></td> </tr> <tr> <td>Salary – Farah</td> <td style="text-align: right;">11 200 (1)</td> <td style="text-align: right;">13 740</td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">24 740</td> </tr> <tr> <td>Profit share: Farah (30% × 24 740)</td> <td style="text-align: right;">7 422 (1) OF</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Salma (70% × 24 740)</td> <td style="text-align: right;">17 318 (1) OF</td> <td style="text-align: right;">24 740</td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; text-align: right;"></td> <td style="border-top: 1px solid black; text-align: right;"></td> </tr> </table> <p>(Farah (14 250 × 4% × 2/12) =95* Salma (14 250 × 4% × 2/12) + (5 750 × 4% × 6/12) = 210**</p> |              | \$           | \$                        | Profit for the year |         | 38 175 | Add Interest on drawings Farah | *95 (1)      |        | Salma | **210 (1)       | 305   |  |                            | 38 480 | Less |  |  | Interest on capital: Farah | 1 040 }     |       | Salma  | 1 500 } (1)               |       |  | 2 540 |  | Salary – Farah | 11 200 (1) | 13 740 |  |  | 24 740 | Profit share: Farah (30% × 24 740) | 7 422 (1) OF          |       | Salma (70% × 24 740) | 17 318 (1) OF | 24 740 |  |  |        | <b>6</b> |  |  |       |                   |       |          |
|                                    | \$   | \$           |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
| Profit for the year                |  | 38 175       |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
| Add Interest on drawings Farah     | *95 (1)  |              |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
| Salma                              | **210 (1)  | 305          |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
|                                    |  | 38 480       |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
| Less                               |  |              |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
| Interest on capital: Farah         | 1 040 }  |              |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
| Salma                              | 1 500 } (1)  |              |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
|                                    | 2 540  |              |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
| Salary – Farah                     | 11 200 (1)   | 13 740       |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
|                                    |  | 24 740       |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
| Profit share: Farah (30% × 24 740) | 7 422 (1) OF   |              |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
| Salma (70% × 24 740)               | 17 318 (1) OF  | 24 740       |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
|                                    |  |              |              |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
| 2(b)                               | <p>Farah<br/>                     Current account</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; width: 80%;"> <thead> <tr> <th style="width: 10%;">Date<br/>2025</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;">Date<br/>2024</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>Feb 28</td> <td>Drawings (1)</td> <td style="text-align: right;">14 250</td> <td>Mar 1</td> <td>Balance b/d (1)</td> <td style="text-align: right;">3 450</td> </tr> <tr> <td></td> <td>Interest on drawings (1)OF</td> <td style="text-align: right;">95</td> <td>2025</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Balance c/d</td> <td style="text-align: right;">8 767</td> <td>Feb 28</td> <td>Interest on capital (1)OF</td> <td style="text-align: right;">1 040</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Salary (1)</td> <td style="text-align: right;">11 200</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Share of profit (1)OF</td> <td style="text-align: right;">7 422</td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">23 112</td> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">23 112</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Mar 1</td> <td>Balance b/d (1)OF</td> <td style="text-align: right;">8 767</td> </tr> </tbody> </table>  | Date<br>2025 | Details      | \$                        | Date<br>2024        | Details | \$     | Feb 28                         | Drawings (1) | 14 250 | Mar 1 | Balance b/d (1) | 3 450 |  | Interest on drawings (1)OF | 95     | 2025 |  |  |                            | Balance c/d | 8 767 | Feb 28 | Interest on capital (1)OF | 1 040 |  |       |  |                | Salary (1) | 11 200 |  |  |        |                                    | Share of profit (1)OF | 7 422 |                      |               | 23 112 |  |  | 23 112 |          |  |  | Mar 1 | Balance b/d (1)OF | 8 767 | <b>7</b> |
| Date<br>2025                       | Details  | \$           | Date<br>2024 | Details                   | \$                  |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
| Feb 28                             | Drawings (1)   | 14 250       | Mar 1        | Balance b/d (1)           | 3 450               |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
|                                    | Interest on drawings (1)OF   | 95           | 2025         |                           |                     |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
|                                    | Balance c/d  | 8 767        | Feb 28       | Interest on capital (1)OF | 1 040               |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
|                                    |  |              |              | Salary (1)                | 11 200              |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
|                                    |  |              |              | Share of profit (1)OF     | 7 422               |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
|                                    |  | 23 112       |              |                           | 23 112              |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |
|                                    |  |              | Mar 1        | Balance b/d (1)OF         | 8 767               |         |        |                                |              |        |       |                 |       |  |                            |        |      |  |  |                            |             |       |        |                           |       |  |       |  |                |            |        |  |  |        |                                    |                       |       |                      |               |        |  |  |        |          |  |  |       |                   |       |          |

| Question | Answer  | Marks |
|----------|---|-------|
| 2(c)     | <p>There may be insufficient money in the bank / reduces liquidity (1)<br/>           There may be a limit on drawings (stated in the partnership agreement) (1)<br/>           May damage the relationship between the partners (1)<br/>           Salma would have to pay interest on drawings (1)<br/> <b>Accept other valid points</b></p> <p><b>Max (2)</b></p>  | 2     |
| 2(d)     | <p><b>Advantages of converting to a limited company</b><br/>           Easier to raise capital / finance / loans (1)<br/>           Shareholders have limited liability (1)<br/>           Workload / responsibility is shared (1)<br/>           Profit may increase (1)<br/>           Farah receives an increase in salary (1)<br/>           Limited company has continuity of existence / there is separate legal identity (1)<br/> <b>Accept other valid points</b></p> <p><b>Max (3)</b></p> <p><b>Disadvantages of converting to a limited company</b><br/>           Farah and Salma would lose control (1)<br/>           The brothers may have no business experience (1)<br/>           Increased legal and administrative costs (1)<br/>           Cash / profit may be reduced to pay salaries/dividends (1)<br/>           The investment may not be sufficient to fund the expansion (1)<br/> <b>Accept other valid points</b></p> <p><b>Max (3)</b></p> <p><b>Overall Advantages and Disadvantages: Max (4)</b></p> <p><b>Recommendation (1)</b></p> | 5     |



| Question | Answer  |        |         |                                   |                  |         | Marks    |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
|----------|---|--------|---------|-----------------------------------|------------------|---------|----------|----|------|--|--|------|--|--|--------|------------------------|----|-------|-------------|-----------|--------|-------------|--------|------|--|--|--|--|--------|--------|-----------------------------------|-------|--|--|--|------|--|--------|--|--|--|-------|--------------|------------------|---|--|--|-------|-------------|--------------|--|--|--|--|
| 3(a)     | Jasmine<br>Provision for depreciation of motor vehicles account   |        |         |                                   |                  |         | <b>4</b> |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
|          | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 10%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td></td> <td></td> <td>2024</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Apr 1</td> <td>Balance b/d</td> <td style="text-align: right;">(1) 7 000</td> </tr> <tr> <td>Mar 31</td> <td>Balance c/d</td> <td style="text-align: right;">13 750</td> <td>2025</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">13 750</td> <td>Mar 31</td> <td>Income statement * (2)CF or (1)**</td> <td style="text-align: right;">6 750</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">13 750</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2025</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Apr 1</td> <td>Balance b/d</td> <td style="text-align: right;">(1)OF 13 750</td> </tr> </tbody> </table> | Date   | Details | \$                                | Date             | Details |          | \$ | 2025 |  |  | 2024 |  |  |        |                        |    | Apr 1 | Balance b/d | (1) 7 000 | Mar 31 | Balance c/d | 13 750 | 2025 |  |  |  |  | 13 750 | Mar 31 | Income statement * (2)CF or (1)** | 6 750 |  |  |  |      |  | 13 750 |  |  |  | 2025  |              |                  |   |  |  | Apr 1 | Balance b/d | (1)OF 13 750 | <p>* (16 000 – 7 000 + 18 000 =) 27 000 × 25% = 6 750 **2250 or 4500 = 1 <b>must be a credit entry with IS label</b></p> |  |  |  |
| Date     | Details   | \$     | Date    | Details                           | \$               |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
| 2025     |   |        | 2024    |                                   |                  |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
|          |   |        | Apr 1   | Balance b/d                       | (1) 7 000        |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
| Mar 31   | Balance c/d   | 13 750 | 2025    |                                   |                  |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
|          |   | 13 750 | Mar 31  | Income statement * (2)CF or (1)** | 6 750            |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
|          |   |        |         |                                   | 13 750           |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
|          |   |        | 2025    |                                   |                  |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
|          |   |        | Apr 1   | Balance b/d                       | (1)OF 13 750     |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
| 3(b)     | Jasmine<br>Provision for doubtful debts account   |        |         |                                   |                  |         | <b>4</b> |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
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| Date     | Details   | \$     | Date    | Details                           | \$               |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
| 2025     |   |        | 2024    |                                   |                  |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
| Mar 31   | Income statement (1)OF  | 21     | Apr 1   | Balance b/d                       | (1) 366          |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
|          | Balance c/d   | 345    |         |                                   |                  |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
|          |   | 366    |         |                                   | 366              |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
|          |   |        | 2025    |                                   |                  |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |
|          |   |        | Apr 1   | Balance b/d*                      | (2)CF or (1) 345 |         |          |    |      |  |  |      |  |  |        |                        |    |       |             |           |        |             |        |      |  |  |  |  |        |        |                                   |       |  |  |  |      |  |        |  |  |  |       |              |                  |   |  |  |       |             |              |  |  |  |  |

| Question                          | Answer   |              |               |                |                                 |       | Marks          |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
|-----------------------------------|--|--------------|---------------|----------------|---------------------------------|-------|----------------|---------|--|----------------------------------|--------|---------|-----------------------------------|-----|---------------|-------------|--------|--------------|-------------------|-------------|------------|-----|----------------|---------------------|----------|---------------|----------------|---------------------------------|-------|---------------|--|--|--|--------|--|--|--|--------|-------|-------------|-----|-----|-------|-------------|-----|-----|----------|
| 3(c)                              | <p style="text-align: center;">Jasmine<br/>Rent and Rates account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 35%;">Details</th> <th style="width: 10%;"></th> <th style="width: 10%;">\$</th> <th style="width: 15%;">Date</th> <th style="width: 35%;">Details</th> <th style="width: 10%;"></th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>2024<br/>Apr 1</td> <td>Balance b/d</td> <td>(1)</td> <td>900</td> <td>2024<br/>Apr 1</td> <td>Balance b/d</td> <td>(1)</td> <td>270</td> </tr> <tr> <td>2025<br/>Mar 31</td> <td>Bank<br/>Balance c/d</td> <td>(1)</td> <td>14 960<br/>185</td> <td>2025<br/>Mar 31</td> <td>Income statement<br/>Balance c/d</td> <td>(1)OF</td> <td>14 850<br/>925</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black;">16 045</td> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black;">16 045</td> </tr> <tr> <td>Apr 1</td> <td>Balance b/d</td> <td>(1)</td> <td>925</td> <td>Apr 1</td> <td>Balance b/d</td> <td>(1)</td> <td>185</td> </tr> </tbody> </table> |              |               |                |                                 |       | Date           | Details |  | \$                               | Date   | Details |                                   | \$  | 2024<br>Apr 1 | Balance b/d | (1)    | 900          | 2024<br>Apr 1     | Balance b/d | (1)        | 270 | 2025<br>Mar 31 | Bank<br>Balance c/d | (1)      | 14 960<br>185 | 2025<br>Mar 31 | Income statement<br>Balance c/d | (1)OF | 14 850<br>925 |  |  |  | 16 045 |  |  |  | 16 045 | Apr 1 | Balance b/d | (1) | 925 | Apr 1 | Balance b/d | (1) | 185 | <b>6</b> |
| Date                              | Details  |              | \$            | Date           | Details                         |       | \$             |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
| 2024<br>Apr 1                     | Balance b/d  | (1)          | 900           | 2024<br>Apr 1  | Balance b/d                     | (1)   | 270            |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
| 2025<br>Mar 31                    | Bank<br>Balance c/d  | (1)          | 14 960<br>185 | 2025<br>Mar 31 | Income statement<br>Balance c/d | (1)OF | 14 850<br>925  |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
|                                   |  |              | 16 045        |                |                                 |       | 16 045         |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
| Apr 1                             | Balance b/d  | (1)          | 925           | Apr 1          | Balance b/d                     | (1)   | 185            |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
| 3(d)                              | <p style="text-align: center;">Jasmine<br/>Statement of Financial Position as at 31 March 2025</p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 60%;">Current Assets</td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 30%;"></td> </tr> <tr> <td>Trade receivables (11 800 – 300)</td> <td style="text-align: center;">11 500</td> <td></td> </tr> <tr> <td>Less Provision for doubtful debts</td> <td style="text-align: center;">345</td> <td style="text-align: right;"><b>OF</b></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; text-align: center;">11 155</td> <td style="text-align: right;"><b>(1)OF</b></td> </tr> <tr> <td>Other receivables</td> <td style="text-align: center;">925</td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: center;">12 080</td> <td style="text-align: right;"><b>(1)OF</b></td> </tr> </tbody> </table>   |              |               |                |                                 |       | Current Assets | \$      |  | Trade receivables (11 800 – 300) | 11 500 |         | Less Provision for doubtful debts | 345 | <b>OF</b>     |             | 11 155 | <b>(1)OF</b> | Other receivables | 925         | <b>(1)</b> |     | 12 080         | <b>(1)OF</b>        | <b>3</b> |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
| Current Assets                    | \$   |              |               |                |                                 |       |                |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
| Trade receivables (11 800 – 300)  | 11 500   |              |               |                |                                 |       |                |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
| Less Provision for doubtful debts | 345  | <b>OF</b>    |               |                |                                 |       |                |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
|                                   | 11 155   | <b>(1)OF</b> |               |                |                                 |       |                |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
| Other receivables                 | 925  | <b>(1)</b>   |               |                |                                 |       |                |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
|                                   | 12 080   | <b>(1)OF</b> |               |                |                                 |       |                |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
| 3(e)(i)                           | Depreciation is charged using the same method each year. <b>(1)</b>  |              |               |                |                                 |       | <b>1</b>       |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
| 3(e)(ii)                          | Obtaining credit references / Establishing credit limits <b>(1)</b><br>Sending invoices and statements promptly <b>(1)</b><br>Improve credit control / monitoring/investigating/chasing overdue accounts <b>(1)</b><br>Refusing to supply customers until outstanding amounts have been paid <b>(1)</b><br>Taking legal action <b>(1)</b><br><b>Max (1)</b>  |              |               |                |                                 |       | <b>1</b>       |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |
| 3(e)(iii)                         | Matching / accruals <b>(1)</b>   |              |               |                |                                 |       | <b>1</b>       |         |  |                                  |        |         |                                   |     |               |             |        |              |                   |             |            |     |                |                     |          |               |                |                                 |       |               |  |  |  |        |  |  |  |        |       |             |     |     |       |             |     |     |          |

| Question | Answer           |                            |          |                  | Marks     |
|----------|------------------|----------------------------|----------|------------------|-----------|
| 4(a)     | Bilal<br>Journal |                            |          |                  | <b>11</b> |
|          | Error number     | Details                    | Debit \$ | Credit \$        |           |
|          | 1                | Cash<br>Purchases          | 185 (1)  | 185 (1)          |           |
|          | 2                | Motor expenses<br>Bank     | 27 (1)   | 27 (1)           |           |
|          | 3                | Bank loan<br>Capital       | 2000 (1) | 2000(1)          |           |
|          | 4                | Purchases<br>Moira<br>Maya | 168 (1)  | 84 (1)<br>84 (1) |           |
|          | 5                | Drawings<br>Insurance      | 130 (1)  | 130 (1)          |           |

| Question | Answer   | Marks    |
|----------|--|----------|
| 4(b)     | \$<br>Original profit for the year      12 930<br>Error 1                                      185 (1)<br>Error 2                                      (27) (1)<br>Error 4                                      (168) (1)<br>Error 5                                      130 (1)<br><br>Draft profit for the year after correcting errors <u>13 050</u> (1)OF | <b>5</b> |
| 4(c)     | \$<br>Capital at 1 January 2024      6 200<br>Revised draft profit      13 050 (1)OF<br>Capital introduced <u>2 000</u> (1)<br>21 250<br>Less Drawings (11 260 + 130)      (11 390) (1)<br><br>Capital at 31 December 2024 <u>9 860</u> (1)OF  | <b>4</b> |

| Question | Answer   | Marks                                   |         |                 |               |         |    |      |  |  |      |  |  |        |   |   |       |                 |       |  |  |  |        |                 |        |  |  |  |  |  |               |  |  |  |      |  |  |  |  |  |       |                 |       |  |
|----------|--|---|---------|-----------------|---------------|---------|----|------|--|--|------|--|--|--------|---|---|-------|-----------------|-------|--|--|--|--------|-----------------|--------|--|--|--|--|--|---------------|--|--|--|------|--|--|--|--|--|-------|-----------------|-------|--|
| 5(a)     | Rexford<br>Purchases ledger control account  | <b>4</b>                                |         |                 |               |         |    |      |  |  |      |  |  |        |   |   |       |                 |       |  |  |  |        |                 |        |  |  |  |  |  |               |  |  |  |      |  |  |  |  |  |       |                 |       |  |
|          | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 15%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td></td> <td></td> <td>2024</td> <td></td> <td></td> </tr> <tr> <td>Dec 31</td> <td>Bank }<br/>Discount received } (1)<br/>Balance c/d (5 680 × 1.25)</td> <td style="text-align: right;">68 100<br/>380<br/>7 100<br/><u>75 580</u></td> <td>Jan 1</td> <td>Balance b/d (1)</td> <td style="text-align: right;">5 680</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Dec 31</td> <td>Purchases (1)OF</td> <td style="text-align: right;">69 900</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>75 580</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>2025</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Jan 1</td> <td>Balance b/d (1)</td> <td style="text-align: right;">7 100</td> </tr> </tbody> </table> | Date                                    | Details | \$              | Date          | Details | \$ | 2024 |  |  | 2024 |  |  | Dec 31 | Bank }<br>Discount received } (1)<br>Balance c/d (5 680 × 1.25) | 68 100<br>380<br>7 100<br><u>75 580</u> | Jan 1 | Balance b/d (1) | 5 680 |  |  |  | Dec 31 | Purchases (1)OF | 69 900 |  |  |  |  |  | <u>75 580</u> |  |  |  | 2025 |  |  |  |  |  | Jan 1 | Balance b/d (1) | 7 100 |  |
| Date     | Details  | \$                                      | Date    | Details         | \$            |         |    |      |  |  |      |  |  |        |   |   |       |                 |       |  |  |  |        |                 |        |  |  |  |  |  |               |  |  |  |      |  |  |  |  |  |       |                 |       |  |
| 2024     |  |   | 2024    |                 |               |         |    |      |  |  |      |  |  |        |   |   |       |                 |       |  |  |  |        |                 |        |  |  |  |  |  |               |  |  |  |      |  |  |  |  |  |       |                 |       |  |
| Dec 31   | Bank }<br>Discount received } (1)<br>Balance c/d (5 680 × 1.25)  | 68 100<br>380<br>7 100<br><u>75 580</u> | Jan 1   | Balance b/d (1) | 5 680         |         |    |      |  |  |      |  |  |        |   |   |       |                 |       |  |  |  |        |                 |        |  |  |  |  |  |               |  |  |  |      |  |  |  |  |  |       |                 |       |  |
|          |  |   | Dec 31  | Purchases (1)OF | 69 900        |         |    |      |  |  |      |  |  |        |   |   |       |                 |       |  |  |  |        |                 |        |  |  |  |  |  |               |  |  |  |      |  |  |  |  |  |       |                 |       |  |
|          |  |   |         |                 | <u>75 580</u> |         |    |      |  |  |      |  |  |        |   |   |       |                 |       |  |  |  |        |                 |        |  |  |  |  |  |               |  |  |  |      |  |  |  |  |  |       |                 |       |  |
|          |  |   | 2025    |                 |               |         |    |      |  |  |      |  |  |        |   |   |       |                 |       |  |  |  |        |                 |        |  |  |  |  |  |               |  |  |  |      |  |  |  |  |  |       |                 |       |  |
|          |  |   | Jan 1   | Balance b/d (1) | 7 100         |         |    |      |  |  |      |  |  |        |   |   |       |                 |       |  |  |  |        |                 |        |  |  |  |  |  |               |  |  |  |      |  |  |  |  |  |       |                 |       |  |

| Question   | Answer   | Marks         |              |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
|--|--|---------------|--------------|----|--|------------------------|--|---------|--------------|---------------|--|--|--|-------------------|-------|--|--|-----------|--------|--|-----------|--|---------------|--|--|------------------------|--------------|---------------|--------------|--------------|--|--------|--------------|-------------------|--|------------|------------|--|--|--------|--|-----------------------------------|--------|--|------------|------------------|-------|--|--|-------|-------|--|--|--|--------------|---------------|--|---------------------|--|--------------|--------------|----------|
| 5(b)   | <p style="text-align: center;">Rexford<br/>                     Income statement for the year ended 31 December 2024</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td>Revenue (69 500 × 1.5)</td> <td></td> <td style="text-align: right;">104 250</td> <td><b>(1)OF</b></td> </tr> <tr> <td>Cost of sales</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Opening inventory</td> <td style="text-align: right;">6 000</td> <td></td> <td></td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">69 900</td> <td></td> <td><b>OF</b></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>75 900</u></td> <td></td> <td></td> </tr> <tr> <td>Less Closing inventory</td> <td style="text-align: right;"><u>6 400</u></td> <td style="text-align: right;"><u>69 500</u></td> <td><b>(1)OF</b></td> </tr> <tr> <td>Gross profit</td> <td></td> <td style="text-align: right;">34 750</td> <td><b>(1)OF</b></td> </tr> <tr> <td>Discount received</td> <td></td> <td style="text-align: right;"><u>380</u></td> <td><b>(1)</b></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">35 130</td> <td></td> </tr> <tr> <td>Rent and insurance (10 120 + 300)</td> <td style="text-align: right;">10 420</td> <td></td> <td><b>(1)</b></td> </tr> <tr> <td>General expenses</td> <td style="text-align: right;">4 730</td> <td></td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">6 400</td> <td></td> <td></td> </tr> <tr> <td>Depreciation on fixtures and fittings (20% × 28 000)</td> <td style="text-align: right;"><u>5 600</u></td> <td style="text-align: right;"><u>27 150</u></td> <td></td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;"><u>7 980</u></td> <td><b>(1)OF</b></td> </tr> </table> |               | \$           | \$ |  | Revenue (69 500 × 1.5) |  | 104 250 | <b>(1)OF</b> | Cost of sales |  |  |  | Opening inventory | 6 000 |  |  | Purchases | 69 900 |  | <b>OF</b> |  | <u>75 900</u> |  |  | Less Closing inventory | <u>6 400</u> | <u>69 500</u> | <b>(1)OF</b> | Gross profit |  | 34 750 | <b>(1)OF</b> | Discount received |  | <u>380</u> | <b>(1)</b> |  |  | 35 130 |  | Rent and insurance (10 120 + 300) | 10 420 |  | <b>(1)</b> | General expenses | 4 730 |  |  | Wages | 6 400 |  |  | Depreciation on fixtures and fittings (20% × 28 000) | <u>5 600</u> | <u>27 150</u> |  | Profit for the year |  | <u>7 980</u> | <b>(1)OF</b> | <b>8</b> |
|  | \$   | \$            |              |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
| Revenue (69 500 × 1.5)                               |  | 104 250       | <b>(1)OF</b> |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
| Cost of sales  |  |               |              |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
| Opening inventory                                    | 6 000  |               |              |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
| Purchases  | 69 900   |               | <b>OF</b>    |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
|  | <u>75 900</u>  |               |              |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
| Less Closing inventory                               | <u>6 400</u>   | <u>69 500</u> | <b>(1)OF</b> |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
| Gross profit   |  | 34 750        | <b>(1)OF</b> |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
| Discount received                                    |  | <u>380</u>    | <b>(1)</b>   |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
|  |  | 35 130        |              |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
| Rent and insurance (10 120 + 300)                    | 10 420   |               | <b>(1)</b>   |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
| General expenses                                     | 4 730  |               |              |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
| Wages  | 6 400  |               |              |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
| Depreciation on fixtures and fittings (20% × 28 000) | <u>5 600</u>   | <u>27 150</u> |              |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
| Profit for the year                                  |  | <u>7 980</u>  | <b>(1)OF</b> |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |
| 5(c)   | <p>21 750 + 104 250 <b>(1)OF</b> – 103 200<b>(1)</b> = 22 800<b>(1)OF*</b></p> <p>*(Opening trade receivables + Revenue <b>(OF)</b> – Receipts from sales = Closing trade receivables <b>(OF)</b>)</p>   | <b>3</b>      |              |    |  |                        |  |         |              |               |  |  |  |                   |       |  |  |           |        |  |           |  |               |  |  |                        |              |               |              |              |  |        |              |                   |  |            |            |  |  |        |  |                                   |        |  |            |                  |       |  |  |       |       |  |  |  |              |               |  |                     |  |              |              |          |

| Question | Answer  | Marks |
|----------|---|-------|
| 5(d)     | <p><b>For employing a bookkeeper</b><br/>           More reliable records / more accurate records / less errors (1)<br/>           More up-to-date figures available, e.g. bank, trade receivables, trade payables (1)<br/>           Time freed up for other tasks (1)<br/>           Payments to trade payables will be monitored so that more cash discount is claimed (1)<br/>           More detailed records would be available for reference purposes / easier to prepare financial statements (1)<br/> <b>Accept other valid points</b><br/> <b>Max (2)</b></p> <p><b>Against employing a bookkeeper</b><br/>           The salary would reduce profit / increases expenses (1)<br/>           There would be a reduction in cash/liquidity. (1)<br/>           The money may be better spent elsewhere e.g. new fixtures and fittings (1)<br/>           The book-keeper will not prepare the financial statements (1)<br/> <b>Accept other valid points</b><br/> <b>Max (2)</b></p> <p><b>Overall For and Against: Max (4)</b></p> <p><b>Recommendation (1)</b></p> | 5     |