

# Cambridge IGCSE™

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

Paper 2 Structured

**October/November 2024**

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 October/November 2024 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 **17** printed pages.

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.

**Social Science-Specific Marking Principles  
(for point-based marking)****1 Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- a** DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- b** DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- c** DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require  $n$  reasons (e.g. State two reasons ...).
- d** DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- e** DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
- f** DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
- g** DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

**2 Presentation of mark scheme:**

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

**3 Calculation questions:**

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

**4 Annotation:**

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

| Annotation  | Description                                   | Use  |
|-------------|---|--|
|             | Tick  | Indicates a point which is relevant and rewardable.                        |
|             | Cross   | Indicates a point which is inaccurate/irrelevant and not rewardable.       |
| <b>BOD</b>  | Benefit of doubt                              | Used when the benefit of the doubt is given in order to reward a response. |
| <b>A</b>    | An extraneous figure or item in the statement |  |
| <b>OF</b>   | OF  | Own figure   |
| <b>SEEN</b> | Noted but no credit given                     | Indicates that content has been recognised but not rewarded.               |
| <b>REP</b>  | Repetition                                    | Indicates where content has been repeated.                                 |

| Question | Answer   |                  |       |       |       |        |             |                   |      |       |        | Marks |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |
|----------|--|------------------|-------|-------|-------|--------|-------------|-------------------|------|-------|--------|-------|------|---------|------------------|------|------|--|------|---------|-------------------|------|------|--|------|--|----|----|----|--|------|--|----|----|----|--|--------|-------------|--|-----|--|--|--------|-------------|--|--|--|-----|---|-------|--|-----|--|-----|---|------------|--|----|--|-----|----|--------|----|--|-----|-----|---|------|--|--|----|-----|----|------|--|--|-----|-----|---|-------|--|--|-------|-----|--|--|--|--|--|--|----|----------|--|--|-----|-----|--|--|--|--|--|--|----|------|--|-----|--|-----|--|--|--|--|--|--|----|--------|---|--|-----|-----|----|-------------|--|-------|--|--|----|-------------|--|-----|--|--|--|--|----|-----|-------|--|--|--|---|-----|-------|--------|-------|-------------|--|-----|--|-------|-------|-------------|--|--|-------|-------|----|
| 1(a)     | <p style="text-align: center;">Kalima<br/>Cash book</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th><th>Details</th><th>Discount allowed</th><th>Cash</th><th>Bank</th><th></th><th>Date</th><th>Details</th><th>Discount Received</th><th>Cash</th><th>Bank</th><th></th></tr> </thead> <tbody> <tr> <td>2024</td><td></td><td>\$</td><td>\$</td><td>\$</td><td></td><td>2024</td><td></td><td>\$</td><td>\$</td><td>\$</td><td></td></tr> <tr> <td>Sept 1</td><td>Balance b/d</td><td></td><td>240</td><td></td><td></td><td>Sept 1</td><td>Balance b/d</td><td></td><td></td><td></td><td>890</td></tr> <tr> <td>3</td><td>Sales</td><td></td><td>478</td><td></td><td>(1)</td><td>2</td><td>Stationery</td><td></td><td>82</td><td></td><td>(1)</td></tr> <tr> <td>14</td><td>Elizah</td><td>13</td><td></td><td>507</td><td>(1)</td><td>3</td><td>Badr</td><td></td><td></td><td>30</td><td>(1)</td></tr> <tr> <td>16</td><td>Cash</td><td></td><td></td><td>120</td><td>(1)</td><td>5</td><td>Wages</td><td></td><td></td><td>1 390</td><td>(1)</td></tr> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td>10</td><td>Drawings</td><td></td><td></td><td>150</td><td>(1)</td></tr> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td>16</td><td>Bank</td><td></td><td>120</td><td></td><td>(1)</td></tr> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td>21</td><td>Gulnar</td><td>4</td><td></td><td>196</td><td>(1)</td></tr> <tr> <td>30</td><td>Balance c/d</td><td></td><td>2 029</td><td></td><td></td><td>30</td><td>Balance c/d</td><td></td><td>516</td><td></td><td></td></tr> <tr> <td></td><td></td><td>13</td><td>718</td><td>2 656</td><td></td><td></td><td></td><td>4</td><td>718</td><td>2 656</td><td>(1)OF*</td></tr> <tr> <td>Oct 1</td><td>Balance b/d</td><td></td><td>516</td><td></td><td>(1)OF</td><td>Oct 1</td><td>Balance b/d</td><td></td><td></td><td>2 029</td><td>(1)OF</td></tr> </tbody> </table> |                  |       |       |       |        |             |                   |      |       |        |       | Date | Details | Discount allowed | Cash | Bank |  | Date | Details | Discount Received | Cash | Bank |  | 2024 |  | \$ | \$ | \$ |  | 2024 |  | \$ | \$ | \$ |  | Sept 1 | Balance b/d |  | 240 |  |  | Sept 1 | Balance b/d |  |  |  | 890 | 3 | Sales |  | 478 |  | (1) | 2 | Stationery |  | 82 |  | (1) | 14 | Elizah | 13 |  | 507 | (1) | 3 | Badr |  |  | 30 | (1) | 16 | Cash |  |  | 120 | (1) | 5 | Wages |  |  | 1 390 | (1) |  |  |  |  |  |  | 10 | Drawings |  |  | 150 | (1) |  |  |  |  |  |  | 16 | Bank |  | 120 |  | (1) |  |  |  |  |  |  | 21 | Gulnar | 4 |  | 196 | (1) | 30 | Balance c/d |  | 2 029 |  |  | 30 | Balance c/d |  | 516 |  |  |  |  | 13 | 718 | 2 656 |  |  |  | 4 | 718 | 2 656 | (1)OF* | Oct 1 | Balance b/d |  | 516 |  | (1)OF | Oct 1 | Balance b/d |  |  | 2 029 | (1)OF | 13 |
| Date     | Details  | Discount allowed | Cash  | Bank  |       | Date   | Details     | Discount Received | Cash | Bank  |        |       |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |
| 2024     |  | \$               | \$    | \$    |       | 2024   |             | \$                | \$   | \$    |        |       |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |
| Sept 1   | Balance b/d  |                  | 240   |       |       | Sept 1 | Balance b/d |                   |      |       | 890    |       |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |
| 3        | Sales  |                  | 478   |       | (1)   | 2      | Stationery  |                   | 82   |       | (1)    |       |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |
| 14       | Elizah   | 13               |       | 507   | (1)   | 3      | Badr        |                   |      | 30    | (1)    |       |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |
| 16       | Cash   |                  |       | 120   | (1)   | 5      | Wages       |                   |      | 1 390 | (1)    |       |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |
|          |  |                  |       |       |       | 10     | Drawings    |                   |      | 150   | (1)    |       |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |
|          |  |                  |       |       |       | 16     | Bank        |                   | 120  |       | (1)    |       |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |
|          |  |                  |       |       |       | 21     | Gulnar      | 4                 |      | 196   | (1)    |       |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |
| 30       | Balance c/d  |                  | 2 029 |       |       | 30     | Balance c/d |                   | 516  |       |        |       |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |
|          |  | 13               | 718   | 2 656 |       |        |             | 4                 | 718  | 2 656 | (1)OF* |       |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |
| Oct 1    | Balance b/d  |                  | 516   |       | (1)OF | Oct 1  | Balance b/d |                   |      | 2 029 | (1)OF  |       |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |
| 1(b)     | Bank overdraft   |                  |       |       |       |        |             |                   |      |       |        | 1     |      |         |                  |      |      |  |      |         |                   |      |      |  |      |  |    |    |    |  |      |  |    |    |    |  |        |             |  |     |  |  |        |             |  |  |  |     |   |       |  |     |  |     |   |            |  |    |  |     |    |        |    |  |     |     |   |      |  |  |    |     |    |      |  |  |     |     |   |       |  |  |       |     |  |  |  |  |  |  |    |          |  |  |     |     |  |  |  |  |  |  |    |      |  |     |  |     |  |  |  |  |  |  |    |        |   |  |     |     |    |             |  |       |  |  |    |             |  |     |  |  |  |  |    |     |       |  |  |  |   |     |       |        |       |             |  |     |  |       |       |             |  |  |       |       |    |

| Question     | Answer   |                    |              |                  |                  |  | Marks        |         |              |              |         |              |        |             |     |         |      |                  |    |       |                  |  |                  |                 |  |  |  |    |               |                |  |  |  |    |             |              |  |  |              |  |  |              |       |             |                    |  |  |  |  |   |
|--------------|--|--------------------|--------------|------------------|------------------|--|--------------|---------|--------------|--------------|---------|--------------|--------|-------------|-----|---------|------|------------------|----|-------|------------------|--|------------------|-----------------|--|--|--|----|---------------|----------------|--|--|--|----|-------------|--------------|--|--|--------------|--|--|--------------|-------|-------------|--------------------|--|--|--|--|---|
| 1(c)         | Kalima<br>Elizah Account <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date<br/>2024</th> <th>Details</th> <th>Amount<br/>\$</th> <th>Date<br/>2024</th> <th>Details</th> <th>Amount<br/>\$</th> </tr> </thead> <tbody> <tr> <td>Sept 1</td> <td>Balance b/d</td> <td>520</td> <td>Sept 14</td> <td>Bank</td> <td>507 <b>(1)OF</b></td> </tr> <tr> <td>23</td> <td>Sales</td> <td>1 450 <b>(1)</b></td> <td></td> <td>Discount allowed</td> <td>13 <b>(1)OF</b></td> </tr> <tr> <td></td> <td></td> <td></td> <td>29</td> <td>Sales returns</td> <td>325 <b>(1)</b></td> </tr> <tr> <td></td> <td></td> <td></td> <td>30</td> <td>Balance c/d</td> <td><u>1 125</u></td> </tr> <tr> <td></td> <td></td> <td><u>1 970</u></td> <td></td> <td></td> <td><u>1 970</u></td> </tr> <tr> <td>Oct 1</td> <td>Balance b/d</td> <td>1 125 <b>(1)OF</b></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> |                    |              |                  |                  |  | Date<br>2024 | Details | Amount<br>\$ | Date<br>2024 | Details | Amount<br>\$ | Sept 1 | Balance b/d | 520 | Sept 14 | Bank | 507 <b>(1)OF</b> | 23 | Sales | 1 450 <b>(1)</b> |  | Discount allowed | 13 <b>(1)OF</b> |  |  |  | 29 | Sales returns | 325 <b>(1)</b> |  |  |  | 30 | Balance c/d | <u>1 125</u> |  |  | <u>1 970</u> |  |  | <u>1 970</u> | Oct 1 | Balance b/d | 1 125 <b>(1)OF</b> |  |  |  |  | 5 |
| Date<br>2024 | Details  | Amount<br>\$       | Date<br>2024 | Details          | Amount<br>\$     |  |              |         |              |              |         |              |        |             |     |         |      |                  |    |       |                  |  |                  |                 |  |  |  |    |               |                |  |  |  |    |             |              |  |  |              |  |  |              |       |             |                    |  |  |  |  |   |
| Sept 1       | Balance b/d  | 520                | Sept 14      | Bank             | 507 <b>(1)OF</b> |  |              |         |              |              |         |              |        |             |     |         |      |                  |    |       |                  |  |                  |                 |  |  |  |    |               |                |  |  |  |    |             |              |  |  |              |  |  |              |       |             |                    |  |  |  |  |   |
| 23           | Sales  | 1 450 <b>(1)</b>   |              | Discount allowed | 13 <b>(1)OF</b>  |  |              |         |              |              |         |              |        |             |     |         |      |                  |    |       |                  |  |                  |                 |  |  |  |    |               |                |  |  |  |    |             |              |  |  |              |  |  |              |       |             |                    |  |  |  |  |   |
|              |  |                    | 29           | Sales returns    | 325 <b>(1)</b>   |  |              |         |              |              |         |              |        |             |     |         |      |                  |    |       |                  |  |                  |                 |  |  |  |    |               |                |  |  |  |    |             |              |  |  |              |  |  |              |       |             |                    |  |  |  |  |   |
|              |  |                    | 30           | Balance c/d      | <u>1 125</u>     |  |              |         |              |              |         |              |        |             |     |         |      |                  |    |       |                  |  |                  |                 |  |  |  |    |               |                |  |  |  |    |             |              |  |  |              |  |  |              |       |             |                    |  |  |  |  |   |
|              |  | <u>1 970</u>       |              |                  | <u>1 970</u>     |  |              |         |              |              |         |              |        |             |     |         |      |                  |    |       |                  |  |                  |                 |  |  |  |    |               |                |  |  |  |    |             |              |  |  |              |  |  |              |       |             |                    |  |  |  |  |   |
| Oct 1        | Balance b/d  | 1 125 <b>(1)OF</b> |              |                  |                  |  |              |         |              |              |         |              |        |             |     |         |      |                  |    |       |                  |  |                  |                 |  |  |  |    |               |                |  |  |  |    |             |              |  |  |              |  |  |              |       |             |                    |  |  |  |  |   |
| 1(d)         | Current Assets   |                    |              |                  |                  |  | 1            |         |              |              |         |              |        |             |     |         |      |                  |    |       |                  |  |                  |                 |  |  |  |    |               |                |  |  |  |    |             |              |  |  |              |  |  |              |       |             |                    |  |  |  |  |   |

| Question | Answer                   |  |                    | Marks |
|----------|--------------------------|--|--------------------|-------|
| 2(a)     |                          | Workings   | Answer \$          | 2     |
|          | Capital at 1 April 2023  | $140\ 000 + 92\ 000 - 10\ 000 + 24\ 600 + 39\ 600 - 24\ 750 - 3\ 200 + 1\ 650$   | 259 900 <b>(1)</b> |       |
|          | Capital at 31 March 2024 | $140\ 000 + 106\ 000 - 36\ 000 + 42\ 000 + 43\ 400 - 19\ 700 + 13\ 000 + 1\ 200$ | 289 900 <b>(1)</b> |       |

| Question                                       | Answer                       |  |                                  |               | Marks |
|--|------------------------------|--|----------------------------------|---------------|-------|
| 2(b)   |                              | Added to<br>opening<br>capital               | Deducted from<br>opening capital | Total         | 4     |
|  |                              | \$   | \$                               | \$            |       |
|  | Capital at 1 April 2023      |  |                                  | 259 900       |       |
|  | Capital Introduced           | 10 000 (1)                                   |                                  |               |       |
|  | Profit for the year          | 20 620 (1) OF                                |                                  |               |       |
|  | Drawings                     |  | 620(1)                           |               |       |
|  | Total adjustments            | 30 620                                       | 620                              | 30 000        |       |
|  | Capital at 31 March 2024     |  |                                  | 289 900(1)OF* |       |
| * For both opening and closing capital figures |                              |  |                                  |               |       |
| 2(c)(i)  | Either                       |  |                                  |               | 3     |
|  | Payments to credit suppliers | \$ 224 700                                   |                                  |               |       |
|  | Add closing trade payables   | 19 700 *                                     |                                  |               |       |
|  |                              | 244 400                                      |                                  |               |       |
|  | Less opening trade payables  | (24 750) *(1) both opening & closing figures |                                  |               |       |
|  |                              | 219 650                                      |                                  |               |       |
|  | Less drawings                | (620) (1)                                    |                                  |               |       |
|  |                              | 219 030 (1)OF                                |                                  |               |       |
| Or   |                              |  |                                  |               |       |
|  |                              |  |                                  |               |       |
|  |                              |  |                                  |               |       |
|  |                              |  |                                  |               |       |
|  |                              |  |                                  |               |       |
|  |                              |  |                                  |               |       |
|  |                              |  |                                  |               |       |
|  | Bank                         | 224 700                                      | Balance b/d                      | 24 750 *      |       |
|  | Balance c/d                  | 19 700 *(1)                                  | Drawings                         | 620 (1)       |       |
|  |                              | 244 400                                      | Purchases                        | 219 030 (1)OF |       |
|  |                              |  |                                  | 244 400       |       |

| Question                                | Answer  | Marks                                   |                    |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |
|---|---|---|--------------------|-------------------------------|---------------|--|---------|--------------------------------|-----------------|--------------------|---------|------------|---------------|--------------------------|----------------|-------------|----------|------|---------|-------|----------------------|------------|------------|--|--|-------------|--------------------|--|----------------|--|----------------|---|
| 2(c)(ii)                                | <p>Either</p> <table style="margin-left: 200px;"> <tr> <td style="text-align: right;">Payments received from credit customers</td> <td style="text-align: right;">\$ 452 000</td> </tr> <tr> <td style="text-align: right;">Add closing trade receivables</td> <td style="text-align: right;"><u>43 400</u></td> </tr> <tr> <td></td> <td style="text-align: right;">495 400</td> </tr> <tr> <td style="text-align: right;">Less opening trade receivables</td> <td style="text-align: right;"><u>(39 600)</u></td> </tr> <tr> <td style="text-align: right;">Total credit sales</td> <td style="text-align: right;">455 800</td> </tr> <tr> <td style="text-align: right;">Cash Sales</td> <td style="text-align: right;"><u>21 000</u></td> </tr> <tr> <td style="text-align: right;">Total sales for the year</td> <td style="text-align: right;"><u>476 800</u></td> </tr> </table> <p>*(1) both opening &amp; closing figures</p> <p>Or</p> <table style="margin-left: 200px;"> <tr> <td style="text-align: right;">Balance b/d</td> <td style="text-align: right;">39 600 *</td> <td style="text-align: right;">Bank</td> <td style="text-align: right;">452 000</td> </tr> <tr> <td style="text-align: right;">Sales</td> <td style="text-align: right;"><u>476 800</u> (1)OF</td> <td style="text-align: right;">Cash sales</td> <td style="text-align: right;">21 000 (1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">Balance c/d</td> <td style="text-align: right;"><u>43 400</u> *(1)</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>516 400</u></td> <td></td> <td style="text-align: right;"><u>516 400</u></td> </tr> </table> | Payments received from credit customers | \$ 452 000         | Add closing trade receivables | <u>43 400</u> |  | 495 400 | Less opening trade receivables | <u>(39 600)</u> | Total credit sales | 455 800 | Cash Sales | <u>21 000</u> | Total sales for the year | <u>476 800</u> | Balance b/d | 39 600 * | Bank | 452 000 | Sales | <u>476 800</u> (1)OF | Cash sales | 21 000 (1) |  |  | Balance c/d | <u>43 400</u> *(1) |  | <u>516 400</u> |  | <u>516 400</u> | 3 |
| Payments received from credit customers | \$ 452 000  |   |                    |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |
| Add closing trade receivables           | <u>43 400</u>   |   |                    |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |
|   | 495 400   |   |                    |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |
| Less opening trade receivables          | <u>(39 600)</u>   |   |                    |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |
| Total credit sales                      | 455 800   |   |                    |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |
| Cash Sales                              | <u>21 000</u>   |   |                    |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |
| Total sales for the year                | <u>476 800</u>  |   |                    |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |
| Balance b/d                             | 39 600 *  | Bank                                    | 452 000            |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |
| Sales                                   | <u>476 800</u> (1)OF  | Cash sales                              | 21 000 (1)         |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |
|   |   | Balance c/d                             | <u>43 400</u> *(1) |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |
|   | <u>516 400</u>  |   | <u>516 400</u>     |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |
| 2(d)                                    | <p><b>Advantages (2)</b></p> <p>Preparation of financial statements would be quicker / easier<br/>     Better control over business activities / able to track transactions / income and expenses<br/>     Chances of fraud reduced / errors may be reduced<br/>     Comparison with previous years / aids decision making<br/>     Information required by a bank/investor readily available<br/>     Allow Ben time to concentrate on other business activities</p> <p><b>Accept other valid points</b></p> <p><b>Disadvantages (2)</b></p> <p>Salary of book-keeper to pay<br/>     Profit may not be adequate to cover the cost of employing the book-keeper.<br/>     Additional costs on top of salary paid.<br/>     Problems of recruiting suitable / trained candidate</p> <p><b>Accept other valid points</b></p> <p><b>Recommendation (1)</b></p>  | 5                                       |                    |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |
| 2(e)(i)                                 | Prudence<br>Or Matching / accruals  | 1                                       |                    |                               |               |  |         |                                |                 |                    |         |            |               |                          |                |             |          |      |         |       |                      |            |            |  |  |             |                    |  |                |  |                |   |

| Question | Answer    |                     |                   |              | Marks        |
|----------|-----------|---------------------|-------------------|--------------|--------------|
| 2(e)(ii) |           | Profit for the year | Trade receivables | Cash at bank | 2            |
|          | Increase  |                     |                   |              |              |
|          | Decrease  | ✓                   | ✓                 |              | (1) for both |
|          | No effect |                     |                   | ✓            | (1)          |

| Question                   | Answer  | Marks     |           |           |            |        |  |                      |  |  |                   |       |   |                           |       |  |  |       |  |                        |       |      |  |       |     |  |        |       |                 |  |  |                        |        |     |                            |       |       |   |
|----------------------------|---|-----------|-----------|-----------|------------|--------|--|----------------------|--|--|-------------------|-------|---|---------------------------|-------|--|--|-------|--|------------------------|-------|------|--|-------|-----|--|--------|-------|-----------------|--|--|------------------------|--------|-----|----------------------------|-------|-------|---|
| 3(a)                       | <p style="text-align: center;"><b>Sports T</b><br/> <b>Café Income Statement</b><br/> <b>for the year ended 31 December 2023</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;"><b>\$</b></th> <th style="text-align: right; width: 20%;"><b>\$</b></th> </tr> </thead> <tbody> <tr> <td>Cafe sales</td> <td style="text-align: right;">27 000</td> <td></td> </tr> <tr> <td><u>Cost of sales</u></td> <td></td> <td></td> </tr> <tr> <td>    Opening inventory</td> <td style="text-align: right;">1 290</td> <td style="text-align: right;">*</td> </tr> <tr> <td>    Purchases of food &amp; drink</td> <td style="text-align: right;">8 220</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">9 510</td> <td></td> </tr> <tr> <td>Less Closing inventory</td> <td style="text-align: right;">1 340</td> <td style="text-align: right;">*(1)</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">8 170</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right; border-bottom: 3px double black;">18 830</td> <td style="text-align: right; border-bottom: 3px double black;">(1)OF</td> </tr> <tr> <td><u>Expenses</u></td> <td></td> <td></td> </tr> <tr> <td>    Wages – café assistant</td> <td style="text-align: right;">14 352</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>    Profit for the year – cafe</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">4 478</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(1)OF</td> </tr> </tbody> </table> |           | <b>\$</b> | <b>\$</b> | Cafe sales | 27 000 |  | <u>Cost of sales</u> |  |  | Opening inventory | 1 290 | * | Purchases of food & drink | 8 220 |  |  | 9 510 |  | Less Closing inventory | 1 340 | *(1) |  | 8 170 | (1) |  | 18 830 | (1)OF | <u>Expenses</u> |  |  | Wages – café assistant | 14 352 | (1) | Profit for the year – cafe | 4 478 | (1)OF | 5 |
|                            | <b>\$</b>   | <b>\$</b> |           |           |            |        |  |                      |  |  |                   |       |   |                           |       |  |  |       |  |                        |       |      |  |       |     |  |        |       |                 |  |  |                        |        |     |                            |       |       |   |
| Cafe sales                 | 27 000  |           |           |           |            |        |  |                      |  |  |                   |       |   |                           |       |  |  |       |  |                        |       |      |  |       |     |  |        |       |                 |  |  |                        |        |     |                            |       |       |   |
| <u>Cost of sales</u>       |   |           |           |           |            |        |  |                      |  |  |                   |       |   |                           |       |  |  |       |  |                        |       |      |  |       |     |  |        |       |                 |  |  |                        |        |     |                            |       |       |   |
| Opening inventory          | 1 290   | *         |           |           |            |        |  |                      |  |  |                   |       |   |                           |       |  |  |       |  |                        |       |      |  |       |     |  |        |       |                 |  |  |                        |        |     |                            |       |       |   |
| Purchases of food & drink  | 8 220   |           |           |           |            |        |  |                      |  |  |                   |       |   |                           |       |  |  |       |  |                        |       |      |  |       |     |  |        |       |                 |  |  |                        |        |     |                            |       |       |   |
|                            | 9 510   |           |           |           |            |        |  |                      |  |  |                   |       |   |                           |       |  |  |       |  |                        |       |      |  |       |     |  |        |       |                 |  |  |                        |        |     |                            |       |       |   |
| Less Closing inventory     | 1 340   | *(1)      |           |           |            |        |  |                      |  |  |                   |       |   |                           |       |  |  |       |  |                        |       |      |  |       |     |  |        |       |                 |  |  |                        |        |     |                            |       |       |   |
|                            | 8 170   | (1)       |           |           |            |        |  |                      |  |  |                   |       |   |                           |       |  |  |       |  |                        |       |      |  |       |     |  |        |       |                 |  |  |                        |        |     |                            |       |       |   |
|                            | 18 830  | (1)OF     |           |           |            |        |  |                      |  |  |                   |       |   |                           |       |  |  |       |  |                        |       |      |  |       |     |  |        |       |                 |  |  |                        |        |     |                            |       |       |   |
| <u>Expenses</u>            |   |           |           |           |            |        |  |                      |  |  |                   |       |   |                           |       |  |  |       |  |                        |       |      |  |       |     |  |        |       |                 |  |  |                        |        |     |                            |       |       |   |
| Wages – café assistant     | 14 352  | (1)       |           |           |            |        |  |                      |  |  |                   |       |   |                           |       |  |  |       |  |                        |       |      |  |       |     |  |        |       |                 |  |  |                        |        |     |                            |       |       |   |
| Profit for the year – cafe | 4 478   | (1)OF     |           |           |            |        |  |                      |  |  |                   |       |   |                           |       |  |  |       |  |                        |       |      |  |       |     |  |        |       |                 |  |  |                        |        |     |                            |       |       |   |

| Question                | Answer   |  |              |                |                             |   |         |               | Marks   |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
|-------------------------|--|--|--------------|----------------|-----------------------------|---|---------|---------------|---------|-------------------------|---|--|--------------|----------------|-----------------------------|---|------------------------|---------------|-------------|-----------------------|--------|---------------|-------------------------|--------|------|----------------------|--------|-----|-----------------------|--------|-----|-------------------|-------|-----|------------------|--------------|-----|----------------------|-----------|--|--|---------------|-------|----|
| 3(b)                    | <p>Sports T club<br/>Subscriptions account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th><th>Details</th><th>\$</th><th></th><th>Date</th><th>Details</th><th>\$</th><th></th></tr> </thead> <tbody> <tr> <td>2023<br/>Jan 1<br/>Dec 31</td><td>Balance b/d<br/>Income &amp; Expenditure<br/>Account<br/>Balance c/d</td><td>1 520<br/>158 960<br/><u>2 800</u><br/><u>163 280</u></td><td>(1)<br/>(1)OF</td><td>2023<br/>Dec 31</td><td>Bank or Cash<br/>Balance c/d</td><td>162 000<br/><u>1 280</u><br/><u>163 280</u></td><td>(1)</td></tr> <tr> <td>2024<br/>Jan 1</td><td>Balance b/d</td><td>*1 280</td><td></td><td>2024<br/>Jan 1</td><td>Balance b/d</td><td>*2 800</td><td>(1)</td></tr> </tbody> </table> <p>(1) for dates<br/>*For both balances b/d</p>   | Date   | Details      | \$             |                             | Date                                      | Details | \$            |         | 2023<br>Jan 1<br>Dec 31 | Balance b/d<br>Income & Expenditure<br>Account<br>Balance c/d | 1 520<br>158 960<br><u>2 800</u><br><u>163 280</u> | (1)<br>(1)OF | 2023<br>Dec 31 | Bank or Cash<br>Balance c/d | 162 000<br><u>1 280</u><br><u>163 280</u> | (1)                    | 2024<br>Jan 1 | Balance b/d | *1 280                |        | 2024<br>Jan 1 | Balance b/d             | *2 800 | (1)  | 5                    |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| Date                    | Details  | \$   |              | Date           | Details                     | \$  |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| 2023<br>Jan 1<br>Dec 31 | Balance b/d<br>Income & Expenditure<br>Account<br>Balance c/d  | 1 520<br>158 960<br><u>2 800</u><br><u>163 280</u> | (1)<br>(1)OF | 2023<br>Dec 31 | Bank or Cash<br>Balance c/d | 162 000<br><u>1 280</u><br><u>163 280</u> | (1)     |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| 2024<br>Jan 1           | Balance b/d  | *1 280   |              | 2024<br>Jan 1  | Balance b/d                 | *2 800                                    | (1)     |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| 3(c)                    | <p>Sports T club<br/>Income and expenditure account for the year ended 31 December 2023</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Income:</th><th>\$</th><th></th></tr> </thead> <tbody> <tr> <td>Profit from the cafe</td><td>4 478</td><td>(1)OF</td></tr> <tr> <td>Subscriptions</td><td>158 960</td><td>(1)OF</td></tr> <tr> <td>Bank interest</td><td><u>720</u></td><td>(1)</td></tr> <tr> <td></td><td></td><td>164 158 (1)OF</td></tr> <tr> <td><br/><u>Expenditure</u></td><td></td><td></td></tr> <tr> <td>Wages: Sports coaches</td><td>58 220</td><td>}</td></tr> <tr> <td>Administration salaries</td><td>31 720</td><td>}(1)</td></tr> <tr> <td>Rent (16 250 – 1250)</td><td>15 000</td><td>(1)</td></tr> <tr> <td>Sports equipment hire</td><td>34 800</td><td>(1)</td></tr> <tr> <td>Rates &amp; insurance</td><td>3 200</td><td>(1)</td></tr> <tr> <td>Accountancy fees</td><td><u>2 400</u></td><td>(1)</td></tr> <tr> <td>Surplus for the year</td><td>(145 340)</td><td></td></tr> <tr> <td></td><td><u>18 818</u></td><td>(1)OF</td></tr> </tbody> </table> | Income:  | \$           |                | Profit from the cafe        | 4 478                                     | (1)OF   | Subscriptions | 158 960 | (1)OF                   | Bank interest   | <u>720</u>   | (1)          |                |                             | 164 158 (1)OF                             | <br><u>Expenditure</u> |               |             | Wages: Sports coaches | 58 220 | }             | Administration salaries | 31 720 | }(1) | Rent (16 250 – 1250) | 15 000 | (1) | Sports equipment hire | 34 800 | (1) | Rates & insurance | 3 200 | (1) | Accountancy fees | <u>2 400</u> | (1) | Surplus for the year | (145 340) |  |  | <u>18 818</u> | (1)OF | 10 |
| Income:                 | \$   |  |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| Profit from the cafe    | 4 478  | (1)OF  |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| Subscriptions           | 158 960  | (1)OF  |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| Bank interest           | <u>720</u>   | (1)  |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
|                         |  | 164 158 (1)OF                                      |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| <br><u>Expenditure</u>  |  |  |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| Wages: Sports coaches   | 58 220   | }  |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| Administration salaries | 31 720   | }(1)   |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| Rent (16 250 – 1250)    | 15 000   | (1)  |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| Sports equipment hire   | 34 800   | (1)  |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| Rates & insurance       | 3 200  | (1)  |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| Accountancy fees        | <u>2 400</u>   | (1)  |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
| Surplus for the year    | (145 340)  |  |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |
|                         | <u>18 818</u>  | (1)OF  |              |                |                             |   |         |               |         |                         |   |  |              |                |                             |   |                        |               |             |                       |        |               |                         |        |      |                      |        |     |                       |        |     |                   |       |     |                  |              |     |                      |           |  |  |               |       |    |

| Question                    | Answer  | Marks           |                        |                 |                   |       |  |    |    |    |    |                   |         |        |        |         |                     |  |  |         |         |                       |  |  |          |          |                         |  |  |          |          |                             |  |        |          |   |                     |         |         |        |         |   |
|-----------------------------|---|-----------------|------------------------|-----------------|-------------------|-------|--|----|----|----|----|-------------------|---------|--------|--------|---------|---------------------|--|--|---------|---------|-----------------------|--|--|----------|----------|-------------------------|--|--|----------|----------|-----------------------------|--|--------|----------|---|---------------------|---------|---------|--------|---------|---|
| 4(a)                        | Either - A public limited company is allowed to offer its shares to the public whereas a private limited company cannot.<br>Or - A public limited company has to publish its financial statements whereas a private limited company does not.   | 1               |                        |                 |                   |       |  |    |    |    |    |                   |         |        |        |         |                     |  |  |         |         |                       |  |  |          |          |                         |  |  |          |          |                             |  |        |          |   |                     |         |         |        |         |   |
| 4(b)                        | Issued share capital is the amount of share capital issued to the shareholders (1)<br>Called up share capital is the part of issued share capital for which payment has been requested from the shareholders (1)  | 2               |                        |                 |                   |       |  |    |    |    |    |                   |         |        |        |         |                     |  |  |         |         |                       |  |  |          |          |                         |  |  |          |          |                             |  |        |          |   |                     |         |         |        |         |   |
| 4(c)                        | Liability for the debts of the company is limited to the amount invested by the shareholder (1)<br>Separate legal identity / legal action cannot be taken against the individual shareholders of the company (1)<br>Access to additional capital / easier to obtain loans (1)<br>Has continuity of existence (1)<br><b>Accept other valid points</b><br><b>Max 2</b>  | 2               |                        |                 |                   |       |  |    |    |    |    |                   |         |        |        |         |                     |  |  |         |         |                       |  |  |          |          |                         |  |  |          |          |                             |  |        |          |   |                     |         |         |        |         |   |
| 4(d)                        | <p style="text-align: center;">Y Limited<br/>Statement of changes in equity for the year ended 31 December 2023</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Ordinary Share Capital</th> <th>General Reserve</th> <th>Retained Earnings</th> <th>Total</th> </tr> <tr> <th></th> <th>\$</th> <th>\$</th> <th>\$</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>On 1 January 2023</td> <td>800 000</td> <td>78 000</td> <td>62 000</td> <td>940 000</td> </tr> <tr> <td>Profit for the year</td> <td></td> <td></td> <td>118 500</td> <td>118 500</td> </tr> <tr> <td>Dividend paid (final)</td> <td></td> <td></td> <td>(43 000)</td> <td>(43 000)</td> </tr> <tr> <td>Dividend paid (interim)</td> <td></td> <td></td> <td>(40 000)</td> <td>(40 000)</td> </tr> <tr> <td>Transfer to general reserve</td> <td></td> <td>32 000</td> <td>(32 000)</td> <td>–</td> </tr> <tr> <td>On 31 December 2023</td> <td>800 000</td> <td>110 000</td> <td>65 500</td> <td>975 500</td> </tr> </tbody> </table> <p style="text-align: right;">(1)<br/>(2)*<br/>(1)<br/>(1)<br/>(1)<br/>(1)<br/>(1)OF</p> |                 | Ordinary Share Capital | General Reserve | Retained Earnings | Total |  | \$ | \$ | \$ | \$ | On 1 January 2023 | 800 000 | 78 000 | 62 000 | 940 000 | Profit for the year |  |  | 118 500 | 118 500 | Dividend paid (final) |  |  | (43 000) | (43 000) | Dividend paid (interim) |  |  | (40 000) | (40 000) | Transfer to general reserve |  | 32 000 | (32 000) | – | On 31 December 2023 | 800 000 | 110 000 | 65 500 | 975 500 | 7 |
|                             | Ordinary Share Capital  | General Reserve | Retained Earnings      | Total           |                   |       |  |    |    |    |    |                   |         |        |        |         |                     |  |  |         |         |                       |  |  |          |          |                         |  |  |          |          |                             |  |        |          |   |                     |         |         |        |         |   |
|                             | \$  | \$              | \$                     | \$              |                   |       |  |    |    |    |    |                   |         |        |        |         |                     |  |  |         |         |                       |  |  |          |          |                         |  |  |          |          |                             |  |        |          |   |                     |         |         |        |         |   |
| On 1 January 2023           | 800 000   | 78 000          | 62 000                 | 940 000         |                   |       |  |    |    |    |    |                   |         |        |        |         |                     |  |  |         |         |                       |  |  |          |          |                         |  |  |          |          |                             |  |        |          |   |                     |         |         |        |         |   |
| Profit for the year         |   |                 | 118 500                | 118 500         |                   |       |  |    |    |    |    |                   |         |        |        |         |                     |  |  |         |         |                       |  |  |          |          |                         |  |  |          |          |                             |  |        |          |   |                     |         |         |        |         |   |
| Dividend paid (final)       |   |                 | (43 000)               | (43 000)        |                   |       |  |    |    |    |    |                   |         |        |        |         |                     |  |  |         |         |                       |  |  |          |          |                         |  |  |          |          |                             |  |        |          |   |                     |         |         |        |         |   |
| Dividend paid (interim)     |   |                 | (40 000)               | (40 000)        |                   |       |  |    |    |    |    |                   |         |        |        |         |                     |  |  |         |         |                       |  |  |          |          |                         |  |  |          |          |                             |  |        |          |   |                     |         |         |        |         |   |
| Transfer to general reserve |   | 32 000          | (32 000)               | –               |                   |       |  |    |    |    |    |                   |         |        |        |         |                     |  |  |         |         |                       |  |  |          |          |                         |  |  |          |          |                             |  |        |          |   |                     |         |         |        |         |   |
| On 31 December 2023         | 800 000   | 110 000         | 65 500                 | 975 500         |                   |       |  |    |    |    |    |                   |         |        |        |         |                     |  |  |         |         |                       |  |  |          |          |                         |  |  |          |          |                             |  |        |          |   |                     |         |         |        |         |   |

\* 2 marks if adjusted for preference share dividends, 1 mark if not adjusted \$126 000

| Question   | Answer  | Marks          |              |    |  |                 |  |         |             |                 |      |         |             |                   |  |               |             |  |  |                |              |   |
|--|---|----------------|--------------|----|--|-----------------|--|---------|-------------|-----------------|------|---------|-------------|-------------------|--|---------------|-------------|--|--|----------------|--------------|---|
| 4(e)   | <p style="text-align: center;">Y Limited</p> <p>Extract from Statement of financial position at 31 December 2023</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><u>Equity</u></td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%;"></td> </tr> <tr> <td>Ordinary Shares</td> <td></td> <td style="text-align: right;">800 000</td> <td style="text-align: right;"><b>(OF)</b></td> </tr> <tr> <td>General reserve</td> <td style="border-left: 1px solid black; padding-left: 10px;">(1)*</td> <td style="text-align: right;">110 000</td> <td style="text-align: right;"><b>(OF)</b></td> </tr> <tr> <td>Retained earnings</td> <td style="border-left: 1px solid black; padding-left: 10px;"></td> <td style="text-align: right;"><u>65 500</u></td> <td style="text-align: right;"><b>(OF)</b></td> </tr> <tr> <td colspan="2"><b>*mark for inclusion of all items in correct order</b></td> <td style="text-align: right;"><u>975 500</u></td> <td style="text-align: right;"><b>(1)OF</b></td> </tr> </table> | <u>Equity</u>  |              | \$ |  | Ordinary Shares |  | 800 000 | <b>(OF)</b> | General reserve | (1)* | 110 000 | <b>(OF)</b> | Retained earnings |  | <u>65 500</u> | <b>(OF)</b> | <b>*mark for inclusion of all items in correct order</b> |  | <u>975 500</u> | <b>(1)OF</b> | 2 |
| <u>Equity</u>  |   | \$             |              |    |  |                 |  |         |             |                 |      |         |             |                   |  |               |             |  |  |                |              |   |
| Ordinary Shares  |   | 800 000        | <b>(OF)</b>  |    |  |                 |  |         |             |                 |      |         |             |                   |  |               |             |  |  |                |              |   |
| General reserve  | (1)*  | 110 000        | <b>(OF)</b>  |    |  |                 |  |         |             |                 |      |         |             |                   |  |               |             |  |  |                |              |   |
| Retained earnings  |   | <u>65 500</u>  | <b>(OF)</b>  |    |  |                 |  |         |             |                 |      |         |             |                   |  |               |             |  |  |                |              |   |
| <b>*mark for inclusion of all items in correct order</b> |   | <u>975 500</u> | <b>(1)OF</b> |    |  |                 |  |         |             |                 |      |         |             |                   |  |               |             |  |  |                |              |   |

| Question                  | Answer  |   | Marks |
|---------------------------|---|---|-------|
| 4(f)                      | Issuing debentures  | Issuing ordinary shares   | 5     |
|                           | Annual interest is payable (1)  | A dividend may be paid (1)  |       |
|                           | Are a liability\are a loan\must be repaid (1)   | Do not have to be repaid (1)  |       |
|                           | If company is wound up they are repaid before ordinary shareholders (1)                   | If company is wound up they are repaid after debenture holders (1)                                |       |
|                           | Debenture holders are not members of the company/cannot vote (1)                          | Shares will carry same voting rights/rank equally as existing shares (1)                          |       |
|                           | Issue of debentures will not dilute the control of the existing ordinary shareholders (1) | May dilute control of existing shareholders (1) (if some purchase a greater proportion of shares) |       |
|                           | Interest is a fixed amount (1) (and so can be budgeted for)                               | Dividend is not fixed (and may depend on profit levels) (1)                                       |       |
|                           | Interest must be paid irrespective of profits (1)   | Directors can decide on amount of dividend they will pay (1)                                      |       |
|                           | May be secured on the non-current assets of the company (1)                               | May take longer to raise the funds (1)  |       |
|                           | Issue may not raise adequate funds (1)  | Issue may not raise adequate funds (1)  |       |
|                           | <b>Max (3)</b>  | <b>Max (3)</b>  |       |
| <b>Recommendation (1)</b> |   |   |       |
| 4(g)                      | Non-current liabilities / Long-term-liabilities   |   | 1     |

| Question | Answer   |   |               | Marks |
|----------|--|---|---------------|-------|
| 5(a)     | <b>Ratio</b>   | <b>Workings</b>   | <b>Answer</b> | 7     |
|          | <b>Inventory turnover</b><br>(correct to 2 decimal places)   | $\frac{24074 + 278\,429 - 25\,600}{(24074 + 25\,600) / 2}$ $= \frac{276\,903}{24\,837}$       | 11.15 times   |       |
|          | <b>Trade receivables turnover</b><br>(round up your answer to the nearest whole day)   | $\frac{42\,375 \times 365}{392\,600}$ <span style="font-weight: bold;">(1) for formula</span> | 40 days       |       |
|          | <b>Trade payables turnover</b><br>(round up your answer to the nearest whole day)  | $\frac{21\,603 \times 365}{278\,429}$ <span style="font-weight: bold;">(1) for formula</span> | 29 days       |       |
| 5(b)     | <p><b>Advantages (2)</b><br/>           Reduced administration – debt collection company will manage debt collection<br/>           Owner can spend more time on other areas of the business<br/>           Money received from credit customers quicker / improved cashflow / improved liquidity / trade receivables turnover will improve<br/>           Reduced risk of irrecoverable debts<br/>           Reduced need to borrow to finance working capital<br/> <b>Accept other valid points</b><br/> <b>Max 2</b></p> <p><b>Disadvantages (2)</b><br/>           Cost/fees of debt collection company<br/>           May damage relationship with customer<br/>           Credit sales may reduce<br/>           Maybe a lack of communication between the agency and the owner / may not be effective in improving debt collection<br/> <b>Accept other valid points</b><br/> <b>Max 2</b></p> <p><b>Recommendation (1)</b></p> |   |               | 5     |

| Question        | Answer   | Marks        |             |              |           |              |       |           |  |                 |   |  |       |   |
|-----------------|--|--------------|-------------|--------------|-----------|--------------|-------|-----------|--|-----------------|---|--|-------|---|
| 5(c)            | Improve credit control policy (1)<br>Issue <b>regular</b> statements & invoices (1)<br>Offer cash discount for prompt payment (1)<br>Charge interest on overdue accounts (1)<br><b>Max 2</b>   | 2            |             |              |           |              |       |           |  |                 |   |  |       |   |
| 5(d)(i)         | Reduce cost of purchases (1)<br>Increase selling price (1)<br>Changing the proportions of types of goods sold (1)<br><b>Max 1</b>  | 1            |             |              |           |              |       |           |  |                 |   |  |       |   |
| 5(d)(ii)        | Improve gross profit (1)<br>Control / reduce overall expenses (1)<br>Increasing other income (1)<br><b>Max (1)</b>   | 1            |             |              |           |              |       |           |  |                 |   |  |       |   |
| 5(e)(i)         | Azim<br>Journal <table border="1" data-bbox="640 817 1628 1048"> <thead> <tr> <th data-bbox="640 817 1246 913">Details</th><th data-bbox="1246 817 1516 913">Debit<br/>\$</th><th data-bbox="1516 817 1628 913">Credit<br/>\$</th></tr> </thead> <tbody> <tr> <td data-bbox="640 913 1246 976">Drawings</td><td data-bbox="1246 913 1516 976">340 (1)</td><td data-bbox="1516 913 1628 976"></td></tr> <tr> <td data-bbox="640 976 1246 1048">Purchases</td><td data-bbox="1246 976 1516 1048"></td><td data-bbox="1516 976 1628 1048">340 (1)</td></tr> </tbody> </table> | Details      | Debit<br>\$ | Credit<br>\$ | Drawings  | 340 (1)      |       | Purchases |  | 340 (1)         | 2 |  |       |   |
| Details         | Debit<br>\$  | Credit<br>\$ |             |              |           |              |       |           |  |                 |   |  |       |   |
| Drawings        | 340 (1)  |              |             |              |           |              |       |           |  |                 |   |  |       |   |
| Purchases       |  | 340 (1)      |             |              |           |              |       |           |  |                 |   |  |       |   |
| 5(e)(ii)        | <table border="1" data-bbox="640 1071 1628 1270"> <thead> <tr> <th></th><th>increase</th><th>decrease</th><th>no effect</th></tr> </thead> <tbody> <tr> <td data-bbox="640 1151 909 1214">gross profit</td><td data-bbox="909 1151 1246 1214">✓ (1)</td><td data-bbox="1246 1151 1516 1214"></td><td data-bbox="1516 1151 1628 1214"></td></tr> <tr> <td data-bbox="640 1214 909 1270">closing capital</td><td data-bbox="909 1214 1246 1270"></td><td data-bbox="1246 1214 1516 1270"></td><td data-bbox="1516 1214 1628 1270">✓ (1)</td></tr> </tbody> </table>          |              | increase    | decrease     | no effect | gross profit | ✓ (1) |           |  | closing capital |   |  | ✓ (1) | 2 |
|                 | increase   | decrease     | no effect   |              |           |              |       |           |  |                 |   |  |       |   |
| gross profit    | ✓ (1)  |              |             |              |           |              |       |           |  |                 |   |  |       |   |
| closing capital |  |              | ✓ (1)       |              |           |              |       |           |  |                 |   |  |       |   |