

Centre Number	Candidate Number	Name
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UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
International General Certificate of Secondary Education

**ACCOUNTING** **0452/02**

Paper 2 May/June 2005

**1 hour 30 minutes**

Candidates answer on the Question Paper.  
No Additional Materials are required.

**READ THESE INSTRUCTIONS FIRST**

Write your Centre number, candidate number and name on all the work you hand in.  
Write in dark blue or black pen in the spaces provided on the Question Paper.  
You may use a soft pencil for rough working.  
Do not use staples, paper clips, highlighters, glue or correction fluid.

Answer **all** questions.  
At the end of the examination, fasten all your work securely together.  
The number of marks is given in brackets [ ] at the end of each question or part question.  
You may use a calculator.  
Where layouts are to be completed, you may not need all the lines for your answer.  
The businesses mentioned in this Question Paper are fictitious.

If you have been given a label, look at the details. If any details are incorrect or missing, please fill in your correct details in the space given at the top of this page.

Stick your personal label here, if provided.

For Examiner's Use	
1	
2	
3	
4	
5	
<b>Total</b>	

- 1 (a) Name **two** books of prime (original) entry.
- (i) .....
- (ii) ..... [2]
- (b) Explain what is meant by an accrued expense.
- .....
- ..... [1]
- (c) In which section of the Balance Sheet will a bank overdraft be shown?
- ..... [1]
- (d) To which account would the unexplained difference on a trial balance be transferred?
- ..... [1]
- (e) In which final account will the cost of repairs to motor vehicles be shown?
- ..... [1]
- (f) A sales invoice is entered in the sales returns journal by mistake. Name the type of error which has been made.
- ..... [1]
- (g) State what is meant by going concern.
- .....
- ..... [1]
- (h) Ahmed draws up his accounts to 31 March each year. He bought a machine on 1 April 2004 for \$12 000. Depreciation is to be charged at 15% per annum on a straight line basis.
- (i) Calculate the depreciation charge in his accounts for the year ended 31 March 2005.
- .....
- ..... [1]
- (ii) Calculate the depreciation charge in his accounts for the year ended 31 March 2006.
- .....
- ..... [1]

(iii) Calculate the net book value of the machine at 31 March 2006.

.....  
.....[1]

(iv) Show the journal entry to enter the depreciation for the year ended 31 March 2005 in Ahmed's accounts. A narrative is **not** required.

	Dr \$	Cr \$

[2]

**[Total: 13]**

- 2 Bonnie Clyde makes parts for cars and her financial year ends on 31 March. After preparing her Trading and Profit and Loss Account for the year ended 31 March 2005 her trial balance shows the following items.

	\$
Bank	500 Dr
Bank loan repayable 2008	2 800
Creditors	700
Debtors	1 000
Machinery	20 000
Provision for depreciation on machinery	12 000
Stock	3 000
Drawings	4 500
Capital account at 1 April 2004	6 000
Profit for the year	7 500

### REQUIRED

- (a) Prepare Bonnie's Balance Sheet at 31 March 2005.

Bonnie Clyde  
Balance Sheet at 31 March 2005.

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**(b) (i)** Define working capital.

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**(ii)** From your answer to **(a)** above, calculate Bonnie's working capital at 31 March 2005.

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.....[3]

**[Total: 16]**

- 3 The balance shown in the bank column in Zafira's cash book at 30 April 2005 was \$620 Dr.

She compares her cash book with the bank statement at 30 April. She finds the following items were included on the bank statement but are not yet in the cash book.

	\$
Bank charges	15
Direct debit paid for insurance	40
Bank interest received	20
Bank (credit) transfer from customer, Aisha	130
Dishonoured cheque, Yanni	65

**REQUIRED**

- (a) Write up the cash book at 30 April 2005 and bring down the updated balance.

Zafira  
Cash Book (bank columns)

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At 30 April 2005 Zafira discovers the following:

- 1 she has recorded a receipt in her cash book of \$310 but has not yet deposited the money at the bank
- 2 she has written a cheque for \$250 and entered it in the cash book but it has not yet been paid by the bank.

**REQUIRED**

**(b)** Prepare the bank reconciliation statement at 30 April 2005.

Zafira  
Bank reconciliation statement at 30 April 2005

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.....[5]

Zafira's bank statement shows a balance which is different from the bank reconciliation statement.

**REQUIRED**

**(c)** Suggest **two possible errors** which may have caused this difference.

**(i)** .....

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**(ii)** .....

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[4]

**[Total: 16]**

4 Redd keeps full accounting records and makes up his final accounts to 31 March each year.

The following are extracts from his accounting records for March 2005.

Purchases Journal

		\$
5 March	Block	320
17 March	Quale	500
29 March	Block	270

Purchases Returns Journal

		\$
8 March	Block	100

Cash Book (Cr)

		Discount Received \$	Bank \$
30 March	Block		220
31 March	Quale	15	485

**REQUIRED**

(a) Write up the accounts of Block and Quayle in Redd's purchases ledger for the month of March 2005, showing any balances carried and brought down.

Redd – Purchases Ledger

Block account

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Quayle account

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Redd pays rent on his business premises. The amount payable is \$900 quarterly in advance. He made payments by cheque as follows in the year ended 31 March 2005.

2004	\$
2 April	900
2 July	700
31 July	200
30 September	900
2005	
4 January	900
29 March	800

**REQUIRED**

(b) Show the entries in Redd’s rent account for the year ended 31 March 2005 and the amount transferred to the Profit and Loss Account for the year.

Redd – Rent account

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(c) (i) Explain what is meant by matching.

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(ii) Describe how matching has been applied in Redd's rent account prepared in (b) above.

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**[Total: 22]**

**Question 5 is on the following page.**

- 5 A summary of William's cash book for the year ended 31 March 2005 shows the following.

William – Cash Book (bank columns)

Date		\$	Date		\$
1 April 2004	Balance b/d	730			
Year ended 31 March 2005	Cash and credit deposits from customers	15 270	Year ended 31 March 2005	Payments to suppliers, expenses and drawings	14 750
			31 March 2005	Balance c/d	1 250
	Total	16 000		Total	16 000
1 April 2005	Balance b/d	1 250			

You are given the following additional information:

	\$
Debtors at 1 April 2004	3 140
at 31 March 2005	4 080
Cash sales all deposited at the bank (already included in the deposits for the year shown above)	2 680
Stock at 1 April 2004	1 780
at 31 March 2005	1 920

An analysis of cheque payments shows the following:

	\$
Purchases from suppliers	9 560
Carriage inwards	280
Rent	600
Electricity	360
Motor expenses	800
Insurance	580
Wages paid to staff	1 370
Drawings (William)	<u>1 200</u>
	<u>14 750</u>

**REQUIRED**

(a) Calculate William's total credit sales for the year. Show your workings.

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(b) Prepare William's Trading and Profit and Loss Account for the year ended 31 March 2005.

William  
Trading and Profit and Loss Account  
for the year ended 31 March 2005

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(c) Calculate William's gross profit percentage for the year, to **two** decimal places.

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William has forgotten to deposit \$90 cash sales at the bank on 31 March 2005. He wishes to adjust his accounts for this amount by adding \$90 to sales.

**REQUIRED**

(d) (i) What would be the effect on his gross profit?

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.....[2]

(ii) Calculate William's revised gross profit percentage to **two** decimal places. Show your workings.

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.....[3]

[Total: 23]



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