	Centre Number	Candidate Number
Candidate Name		

International General Certificate of Secondary Education CAMBRIDGE INTERNATIONAL EXAMINATIONS

ACCOUNTING

0452/2

PAPER 2

MAY/JUNE SESSION 2002

1 hour 30 minutes

Candidates answer on the question paper. No additional materials are required.

TIME 1 hour 30 minutes

INSTRUCTIONS TO CANDIDATES

Write your name, Centre number and candidate number in the spaces provided at the top of this page. Answer **all** questions.

Write your answers in the spaces provided on the question paper.

INFORMATION FOR CANDIDATES

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.

You may use the lined pages (pages 11 and 12) for your workings.

FOR EXAMI	FOR EXAMINER'S USE		
1			
2			
3			
4			
5			
TOTAL			

This question paper consists of 10 printed pages and 2 lined pages.

1

(a)	State what is deducted from sales to fi		
(b)	Name the final account to which the transferred at the end of the financial y	ne balance of the Dis	
			[1]
(c)	Name two types of error which do not	t affect the agreement	of a trial balance.
	1		
	2		[2]
(d)	Freda purchased a business for \$200 at \$170 000.	000. The net assets of	f the business were valued
	Name the accounting term for the diffe	erence between these t	two amounts.
			[1]
(e)	For each of the three items below place appears in a partnership's final account		orrect box to show where it
		Profit and Loss Account	Profit and Loss Appropriation Account
	1 Interest on a partner's capital		
	2 Interest on a loan from a partner		
	3 Interest on a partner's drawings		
			[3]
(f)	'Profit should not be overstated by ign be recorded before it is earned.'	noring foreseeable loss	es and revenue should not
	Name the accounting concept describ	ed in this statement.	
			[1]

\$

200 000

(g) A business provides the following information for the year ended 31 March 2002.

Cost of goods sold

at 1 April 2001 26 000 Stocks: at 31 March 2002 14000 Calculate the business's rate of stock turnover for the year ended 31 March 2002. Show your workings.

(n)	name two methods	s of providing for	the depreciation	of fixed assets.

1	 	
2		[0]

(i)	State how	a business's	quick ratio	is	calculated.

State now a business's quick ratio is calculated.	
[1
	٠.

2 Agrotech sells farming equipment and supplies on credit. A new customer, Chalk Farm, has recently been supplied with goods shown on the invoice below.

	AGROTE (CH		
	INVOICE			
Unit 6 Downyer Way Midtown				oice No: 0/5721 e: 6 April 2002
DESCRIPTION	QUANTITY	PRICE \$		TOTAL \$
Sacks of Groquick fertiliser	50 sacks	\$20 per sack	(i)	
Tractor tyres (type B/6)	4	\$125 each		500
		TOTAL GOODS	(ii)	
	209	% Trade Discount	(iii)	
	INVOICE TOTA	L (NET GOODS)	(iv)	
Chalk Farm Springfield OXTON				
Terms: 3% for settlement within one	e month.			
(a) Calculate the missing amour the boxes above.	nts at (i), (ii), (iii)	and (iv) on the in	voice	e and enter thes
(b) Complete the sentences be invoice details are entered.	elow to show the	e prime (original)	ent	ry book where
1 In the books of Agrote	ch , the invoice is	entered in the		
2 In the books of Chalk F	Farm, the invoice	is entered in the		

(c)	when the goods were delivered, one tractor tyre was found to be faulty. Agrotech could not replace the tyre and issued a credit note to Chalk Farm on 17 April 2002.
	Calculate the net amount shown on the credit note issued by Agrotech to Chalk Farm. Show your workings in the space below.
	[3]
(d)	Chalk Farm paid the amount due to Agrotech from these transactions by cheque on 24 April 2002, deducting cash discount of 3%.
	Write up the ledger account of Agrotech in Chalk Farm's books from the above information.
	Agrotech account
	[6]

3 Mel Rose is a sole trader who keeps a petty cash book on the imprest system. The book has four analysis columns and the imprest amount is \$100. Mel's transactions for the month of March 2002 were as follows.

		\$
3 March	Travelling expenses	10
6 March	Office stationery	12
10 March	Postage	5
14 March	Cleaner's wages	20
17 March	Envelopes	3
22 March	Bus fares	6
25 March	Postage	4
28 March	Cleaner's wages	20

31 March Restored imprest amount in cash

Using the columns below:

- (i) Write up Mel's petty cash book to record her transactions for the month of March 2002. The imprest was restored on 1 March and the total has been entered for you.
- (ii) Make the entry on 31 March 2002 to restore the petty cash imprest amount. [2]
- (iii) Balance the petty cash book on 31 March 2002 and bring down the balance. [2]

MEL ROSE

		PE	TTY CASH	BOOK		
RECEIPTS	DATE	DETAILS		STATIONERY		
\$			\$	\$	\$ \$	\$
	2002					
100	1 March	Balance b/d				
,						

4 (a)	ledger accounts.

- (b) Krismah Bipas has discovered the following matters.
 - A motor vehicle was purchased on credit from Ace Motors for \$5000, but no entry had been made in Krismah's books.
 - 2 \$1500 paid for machinery repairs had been debited in error to the Machinery account.
 - 3 A cheque for \$300 received from Smith had been entered on the credit side of the cash book and debited to Smith's account in error.

Prepare the entries which are now required in Krismah's Journal regarding **each** of the above matters. Include a suitable narrative for each entry.

KRISMAH BIPAS

JOURNAL

DETAILS	DR \$	CR \$

[11]

c)	(1)	Machinery account.
		[1]
	(ii)	Explain why it is important for Krismah Bipas to correct the error occurring in (b)2 above.
		ΓΔ1

5 Jules and Jim own similar businesses. The following information shows their trading results for the year ended 31 March 2002.

	Jules	Jim
	\$	\$
Sales	100 000	200 000
Cost of goods sold	60 000	140 000
Expenses	20 000	30 000

(a) For **each** business, calculate the following for the year ended 31 March 2002. Show your workings.

		Jules	Jim		
(i)	Gross profit				
(ii)	Gross profit as a percentage of sales				
(iii)	Net profit				
(iv)	Net profit as a percentage of sales				
			[8]		

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(b)	Using the information in each of your answers to (a) , comment on the performance of the two businesses, stating which was the most successful in the year ended 31 March 2002.								
	••••								
	••••								[0]
									[6]
On belo		larch 2002 the curren	t assets and	current liab	ilities	of the b	ousines	ses wei	re as shown
				lulaa		lina			
				<i>Jules</i> \$		Jim \$			
			t assets t liabilities	20 000 10 000		18 000 24 000			
(c)	(i)	For each business workings.	calculate th	ne current	ratio	at 31	March	2002.	Show your
				Jules				Jim	
		Current ratio:							
									[4]
	(ii)		rs to (i) , state and explain which business had the stronger ition on 31 March 2002.						
							•••••		
									[3]

For

Use

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You may use this page for workings

You may use this page for workings