





- (c) Prepare the bank account for the year ended 29 February 2016. Insert the missing figure which represents the expenses for the year.

Aneela  
Bank account

Date	Details	\$	Date	Details	\$
2016 Feb 29	.....	.....	2016 Feb 29	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

[7]

[Total: 18]

- 3 Abid and Faiz are partners. They operate a secretarial agency. Their financial year ends on 31 March.

In addition to the capital invested, Abid made a 10-year loan to the business on 31 March 2016.

**REQUIRED**

- (a) State **one** advantage of being a partner rather than a sole trader.

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

- (b) State **one** disadvantage of being a partner rather than a sole trader.

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

- (c) State **one** reason why a partner may make a loan to the business rather than investing additional capital.

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

(d) State **two** reasons why it is important for the partnership to have an adequate amount of working capital.

- 1 .....
- .....
- 2 .....
- .....[2]

Abid and Faiz share profits and losses in the ratio of 2 : 1.

The balances on their accounts on 1 April 2015 were:

	Abid	Faiz
	\$	\$
Capital account	80 000	55 000
Current account	110 debit	800 credit

During the year ended 31 March 2016 the partners made the following drawings:

	Abid	Faiz
	\$	\$
	6 000	7 000

The following is an extract from the profit and loss appropriation account for the year ended 31 March 2016.

Abid and Faiz			
Profit and Loss Appropriation Account for the year ended 31 March 2016			
		\$	\$
Profit for the year			13 170
Interest on drawings	Abid	120	
	Faiz	<u>140</u>	<u>260</u>
			13 430
Interest on capital	Abid	2 400	
	Faiz	<u>1 650</u>	
		4 050	
Salary	Faiz	<u>5 000</u>	<u>9 050</u>
Profit available for distribution			4 380

The following additional information is available on 31 March 2016.

	\$
Fixtures and equipment at book value	104 000
Motor vehicles at book value	28 520
Trade payables	11 900
Other payables	160
Trade receivables	19 320
Bank	16 080 debit
Loan from Abid	20 000



.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

(f) Calculate the return on capital employed (ROCE). Use the capital employed from the statement of financial position and the profit for the year of \$13 170.

The calculation should be correct to **two** decimal places. Show your workings.

.....  
.....  
..... [2]

(g) Explain the importance of return on capital employed (ROCE).

.....  
.....  
.....  
..... [2]

**[Total: 22]**

4 Yasmin opened a garment factory on 1 May 2015.

She provided the following information.

	\$
On 1 May 2015	
Cost of factory machinery	35 000
Cost of office furniture and equipment	8 500
Cost of tools	1 000
For the year ended 30 April 2016	
Revenue	113 640
Purchases of raw materials	28 600
Carriage on raw materials	1 500
Purchases of finished goods	15 700
Wages and salaries	
Factory operatives	32 300
Factory supervisors	11 860
Office and sales staff	33 150
General expenses	
Factory	3 340
Office	1 960
Rates	6 000
At 30 April 2016	
Inventory	
Raw materials	3 150
Work in progress	2 920
Finished goods	6 800
Value of tools	830

Additional information

- 1 The rates are to be apportioned  $\frac{3}{4}$  to the factory and  $\frac{1}{4}$  to the office.
- 2 No additional non-current assets were purchased during the year.
- 3 The factory machinery is to be depreciated at 20% per annum on cost.
- 4 The office furniture and equipment is to be depreciated at 15% per annum on cost.
- 5 The tools are to be revalued at the end of each financial year.





(b) (i) Calculate the cost of sales for the year ended 30 April 2016.

.....  
.....  
.....  
.....  
.....[4]

(ii) Calculate the gross profit for the year ended 30 April 2016.

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

(c) (i) Calculate the percentage of gross profit to revenue.

The calculation should be correct to **two** decimal places. Show your workings.

.....  
.....  
.....[2]

(ii) Suggest **two** ways in which Yasmin could increase the percentage of gross profit to revenue.

1 .....

.....

2 .....

.....[2]

[Total: 22]

- 1 Shiromi is a trader in office equipment. She maintains a full set of accounting records. Shiromi made the following entries in her cash book, purchases journal and purchases returns journal in April 2017.

		Shiromi Cash Book					
		Cash	Bank		Discount Received	Cash	Bank
		\$	\$	April	\$	\$	\$
April				4			
1	Balances b/d	90	2954	4	Rent and rates		495
21	Sales	600	6000	10	Motor vehicle		5500
30	Balance c/d		3785	18	Lincy	66	3234
				24	Gail	90	3510
				26	Drawings		150
				30	Balance c/d		540
		<u>690</u>	<u>12739</u>			<u>156</u>	<u>690</u>
							<u>12739</u>

		Shiromi Purchases Journal	
		\$	\$
April	5	Lincy Goods	4825
		Less Trade discount	<u>965</u>
			3860
	16	Gail Goods	4800
		Less Trade discount	<u>1200</u>
			3600
	30	Total for month	<u>7460</u>

		Shiromi Purchases Returns Journal	
		\$	\$
April	7	Lincy Goods	700
		Less Trade discount	<u>140</u>
			560
	30	Total for month	<u>560</u>

**REQUIRED**

- (a) Enter the transactions for April in the following ledger accounts. It is **not** necessary to balance or total any of the accounts.

Shiromi  
General Ledger

Rent and rates account

Date	Details	\$	Date	Details	\$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

Motor vehicle account

Date	Details	\$	Date	Details	\$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

Sales account

Date	Details	\$	Date	Details	\$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

Drawings account

Date	Details	\$	Date	Details	\$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

Purchases account

Date	Details	\$	Date	Details	\$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

Purchases returns account

Date	Details	\$	Date	Details	\$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

Discount received account

Date	Details	\$	Date	Details	\$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

Purchases Ledger  
Lincy account

Date	Details	\$	Date	Details	\$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

Gail account

Date	Details	\$	Date	Details	\$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

Shiromi's financial year ends on 30 April. She provided the following information.

	At 30 April 2016	At 30 April 2017
Current ratio	1.49:1	0.92:1

All purchases are made on credit terms and all sales are made for cash.

**REQUIRED**

(b) Suggest **two** reasons for the change in the current ratio.

- 1 .....
- 2 ..... [2]

(c) Suggest **two** problems Shiromi may encounter because her working capital is inadequate.

- 1 .....
- 2 ..... [2]

Shiromi is hoping to increase her working capital and is considering four courses of action.

**REQUIRED**

(d) Complete the table by placing a tick (✓) in the correct column to show how **each** course of action would affect Shiromi's working capital.

	Increase	Decrease	No effect
Take out a short-term bank loan			
Repay a long-term bank loan			
Sell goods on credit terms instead of for cash			
Obtain a higher rate of cash discount			

[4]

Shiromi bought office equipment on credit.

**REQUIRED**

(e) State why this transaction increased Shiromi's current assets.

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

(f) Suggest **two** reasons why Shiromi's return on capital employed (ROCE) was lower on 30 April 2017 than it was on 30 April 2016.

1.....  
.....  
2.....  
..... [2]

**[Total: 24]**

2 Waheed is a trader. He maintains a full set of accounting records and prepares control accounts at the end of each month.

**REQUIRED**

(a) Name the book of prime (original) entry which Waheed would use to obtain the following information when preparing his sales ledger control account.

	Book of prime (original) entry
Discount allowed	
Bad debts	
Contra	
Returns	

[4]

(b) State the meaning of a contra entry in connection with control accounts. State why Waheed may make such an entry.

Meaning .....

.....

.....

Reason .....

..... [2]

The sales journal for March 2017 was destroyed, but Waheed was able to provide the following information.

2017		\$
March 1	Debit balances in sales ledger	2346
	Credit balances in sales ledger	140
March 31	Totals for the month	
	Cheques received from credit customers	2145
	Cheques paid to credit suppliers	3013
	Cheque received from credit customer (included in the cheques received), later dishonoured	350
	Discount allowed	55
	Discount received	90
	Returns by credit customers	276
	Returns to credit suppliers	198
	Contra entry	182
	Bad debts written off	62
April 1	Debit balances in sales ledger	2670
	Credit balances in sales ledger	86

---

**REQUIRED**

- (c) Select the relevant figures and prepare the sales ledger control account for the month of March 2017. Insert a figure for credit sales.

Balance the account and bring down the balances on 1 April 2017.





Waheed's financial year ends on 31 March. He provided the following information.

All goods are bought and sold on credit terms. A cash discount is received from credit suppliers if payment is made within 45 days. A cash discount is allowed to credit customers if payment is made within 30 days.

	At 31 March 2016	At 31 March 2017
Trade receivables collection period	33 days	29 days
Trade payables payment period	44 days	46 days

**REQUIRED**

(e) State whether Waheed would be satisfied with the change in the collection period for trade receivables. Give a reason for your answer.

Satisfied? .....

Reason .....

..... [2]

(f) State **one** advantage to Waheed's suppliers of the change in the payment period.

.....

.....

..... [1]

(g) State **one** disadvantage to Waheed's suppliers of the change in the payment period.

.....

.....

..... [1]

(h) Comment on how a collection period of 29 days and a payment period of 46 days may affect Waheed's liquidity position.

.....

.....

.....

..... [2]

**[Total: 24]**

5 Heng is a wholesaler. He maintains a full set of double entry accounting records.

**REQUIRED**

(a) Name the accounting principle Heng is applying in his accounting records.

..... [1]

Heng's financial year ends on 31 December. He opened a suspense account on 31 December 2016 and entered a debit balance of \$430.

**REQUIRED**

(b) State **two** reasons why it was necessary for Heng to open a suspense account.

1 .....

.....

2 .....

..... [2]

Heng discovered that the following errors had been made in his accounting records.

- 1 Repairs to office equipment, \$281, had been correctly entered in the cash book, but had been entered in the office equipment account.
- 2 A sales invoice issued to AB Stores had been overcast by \$100.
- 3 The balance of the petty cash book, \$150, had not been entered in the trial balance.
- 4 General expenses, \$1120, had been correctly entered in the cash book, but had been entered in the general expenses account as \$1210.
- 5 The total of the discount allowed column in the cash book, \$1024, had not been transferred to the discount allowed account in the ledger.
- 6 A cheque, \$2060, paid to AK Suppliers, had been debited in the cash book (which had a positive balance) and credited to the account of AK Suppliers.
- 7 The total of the purchases returns account, \$454, had not been entered in the trial balance.

**REQUIRED**

- (c) Prepare the suspense account in Heng's ledger to show the required entries. The account should be balanced or totalled as necessary.

Heng  
Suspense account

Date	Details	\$	Date	Details	\$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

[6]  
[5]

- (d) State whether all the errors in Heng's books have been discovered.

Give a reason for your answer.

Have all errors been discovered? .....

Reason .....

..... [2]

- (e) Complete the table to show the **effect** of **each** of the errors. Where an error has no effect, write 'No effect'.

The first one has been completed as an example.

Error	Profit for the year \$	Non-current assets \$	Current assets \$	Current liabilities \$
1	<i>281 overstated</i>	<i>281 overstated</i>	<i>No effect</i>	<i>No effect</i>
2				
3				
4				
5				
6				
7				

[10]

**[Total: 21]**

<b>Page 4</b>	<b>Mark Scheme</b>	<b>Syllabus</b>	<b>Paper</b>
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2 (a)

	\$	
Receipts from credit customers	61 230	(1)
Cash discount allowed	1 570	(1)
Returns from credit customers	2 070	(1)
Bad debts	260	(1)
Amount owing by customers 29 February 2016	<u>16 190</u>	(1)
Credit sales	<u>81 320</u>	(1) OF

Alternative presentation

Total trade receivables account

Date	Details	\$	Date	Details	\$
2016 Feb 29	*Sales(1)OF	81 320	2016 Feb 29	Bank	61 230 (1)
				Discount all'd	1 570 (1)
				Returns	2 070 (1)
				Bad debts	260 (1)
				Balance c/d	<u>16 190 (1)</u>
		<u>81 320</u>			<u>81 320</u>
2016 Mar1	Balance b/d	16 190			

\*Balancing figure

[6]

(b)

	\$	\$	
Credit purchases		70 150	(1)
Less Returns to credit suppliers	1 110	(1)	
Cash discount received	1 860	(1)	
Amount owing to credit suppliers 29 February 2016	<u>7 040</u>	(1)	<u>10 010</u>
Amount paid to credit suppliers			<u>60 140</u> (1)OF

Alternative presentation

Total trade payables account

Date	Details	\$	Date	Details	\$
2016 Feb 29	Returns(1)	1 110	2016 Feb 29	Purchases(1)	70 150
	Discount recd (1)	1 860			
	*Bank(1)OF	60 140			
	Balance c/d(1)	<u>7 040</u>			
		<u>70 150</u>			<u>70 150</u>
			2016 Mar1	Balance b/d	7 040

\*Balancing figure

[5]

(c)

Aneela  
Bank account

Date	Details	\$	Date	Details	\$
2015			2016		
Mar1	Capital(1)	45 000	Feb 29	Non-current assets	
	Loan(1)	10 000		(1)	20 500
2016				Trade payables	
Feb 29	Trade receivables	61 230		(1)OF	60 140
	(1)			*Expenses(1)OF	18 620
				Balance c/d(1)	<u>16 970</u>
		<u>116 230</u>			<u>116 230</u>
2016					
Mar1	Balance b/d	16 970			

\*Balancing figure

[7]

[Total: 18]

- 3 (a) Share losses  
Share responsibilities  
Share risks  
Share decision-making  
Additional finance may be available  
Additional skills and experience are available

**Any 1 advantage (1)**

[1]

- (b) Share profits  
Decisions must be recognised by all partners  
Decisions may take longer to implement  
One partner's actions can bind the other partners  
Disagreements can occur  
All partners are responsible for the debts of the business

**Any 1 disadvantage (1)**

[1]

- (c) **Greater security than capital**

[1]

Repaid before capital in a winding-up  
Extra funds may be required for a limited period only

**Or other suitable comment**

**Any 1 comment (1)**

- (d) To be able to meet debts when they fall due  
To be able to take advantage of cash discounts  
To be able to take advantage of business opportunities as they arise  
To ensure that there is no difficulty if obtaining supplies/services on credit

**Or other suitable explanation**

**Any 2 points (1) each**

[2]

(e) Alternative presentation of current accounts

		Current accounts					
		Abid	Faiz			Abid	Faiz
		\$	\$			\$	\$
2015				2015			
Apl 1	Balance b/d	110		Apl 1	Balance b/d(1)	800	
2016				2016			
Mar 31	Drawings (1)	6 000	7 000	Mar 31	Interest on Capital(1)	2 400	
	Interest on drawings (1)	120	140		Salary (1)	5 000	
	Balance c/d		1 770		Profit share (1)	2 920	
					Balance c/d	910	
		<u>6 230</u>	<u>8 910</u>			<u>6 230</u>	
						<u>8 910</u>	

+ (1) OF for each balance if shown in statement of financial position making a total of (8) for the current accounts [13]

Abid and Faiz  
Statement of Financial Position at 31 March 2016

	\$	\$	\$	
<b>Assets</b>				
<b>Non-current assets</b>				
Fixtures and equipment (book value)			104 000	
Motor vehicles (book value)			<u>28 520</u>	
			<u>132 520</u>	(1)
<b>Current assets</b>				
Trade receivables			19 320	
Bank			<u>16 080</u>	
			<u>35 400</u>	(1)
<b>Total assets</b>			<u>167 920</u>	
<b>Capital and liabilities</b>				
	Abid	Faiz		Total
<b>Capital accounts</b>	<u>80 000</u>	<u>55 000</u>	(1) both	135 000
<b>Current accounts</b>				
Opening balance	(110)	800	(1) both	
Interest on capital	2 400	1 650	(1) both	
Salary		5 000	(1)	
Profit share	<u>2 920</u>	<u>1 460</u>	(1) both	
	<u>5 210</u>	<u>8 910</u>		
Drawings	6 000	7 000	(1)	
Interest on drawings	<u>120</u>	<u>140</u>	(1) both	
	<u>6 120</u>	<u>7 140</u>		
Closing balance	<u>(910)</u>	<u>1 770</u>	(1) OF	
				<u>860</u>
				<u>135 860</u>
<b>Non-current liabilities</b>				
Loan – Abid			<u>20 000</u>	(1)
<b>Current liabilities</b>				
Trade payables			11 900	}
Other payables			<u>160</u>	}(1)
			<u>12 060</u>	
<b>Total liabilities</b>			<u>167 920</u>	[13]

(f)  $\frac{13170}{(167920 - 12060)} \times \frac{100}{1}$  (1) whole formula OF= 8.45% (1) OF [2]

- (g) Shows the profit earned for each \$100 used in the business (1)  
The higher the percentage the more efficiently the capital is being employed (1)

**Or other acceptable answer**  
**Any 2 points (1) each**

[2]

[Total: 22]

4 (a)

Yasmin  
Manufacturing Account for the year ended 30 April 2016

	\$		\$	
Cost of materials used				
Purchases of raw materials	28 600	(1)		
Carriage on raw materials	<u>1 500</u>	(1)	30 100	
Less Closing inventory of raw materials			<u>3 150</u>	(1)
			26 950	
Direct wages			<u>32 300</u>	(1)
Prime cost			59 250	(1)
Factory overheads				
Indirect factory wages	11 860	(1)		
General factory expenses	3 340	(1)		
Rates ( $\frac{3}{4} \times 6000$ )	4 500	(1)		
Depreciation – Machinery ( $35\,000 \times 20\%$ )	7 000	(1)		
Tools ( $1000 - 830$ )	<u>170</u>	(1)	<u>26 870</u>	
			86 120	(1) OF
Less Closing work in progress			<u>2 920</u>	(1)
Cost of production			<u>83 200</u>	(1) OF

[13]

(b) (i)

Cost of production			83 200	(1) OF
Purchases of finished goods			<u>15 700</u>	(1)
			98 900	
Less Closing inventory of finished goods	<u>6 800</u>	(1)		
Cost of sales			<u>92 100</u>	(1) OF

[4]

(ii)

Revenue			113 640	
Cost of sales			<u>92 100</u>	OF
Gross profit			<u>21 540</u>	(1) OF

[1]

(c) (i)  $\frac{21540}{113640} \text{ OF} \times \frac{100}{1} \text{ (1) OF whole formula} = 18.95\% \text{ (1) OF}$  [2]

- (ii) Increase selling price  
 Increase mark-up  
 Reduce trade discount allowed to customers  
 Reduce cost of manufacturing  
 Purchase cheaper raw materials  
 Buy in bulk to obtain trade discount  
 Reduce factory wages  
 Reduce factory overheads

**Or other suitable methods**  
**Any 2 ways (1) each**

[2]

[Total: 22]



0452/23

Cambridge IGCSE – Mark Scheme  
**PUBLISHED**

May/June 2017

Question	Answer	Marks
1(a)	<p style="text-align: center;">Shiromi General Ledger Rent and Account</p> <p>2017 April 4    Bank                      \$    495    (1)</p> <p style="text-align: center;">Motor Vehicle Account</p> <p>2017 April 10    Bank                      \$    5 500    (1)</p> <p style="text-align: center;">Sales Account</p> <p>2017 April 21    Cash                      \$    600    )(1)    Bank                      6 000    }</p> <p style="text-align: center;">Drawings Account</p> <p>2017 April 26    Cash                      \$    150    (1)</p> <p style="text-align: center;">Purchases Account</p> <p>2017 April 30    Total for Month                      \$    7 460    (1)</p> <p style="text-align: center;">Purchases Returns Account</p> <p>2017 April 30    Total for month                      \$    560    (1)</p> <p style="text-align: center;">Discount received Account</p> <p>2017 April 30    Total for month                      \$    156    (1)</p>	13
	<p style="text-align: center;">Purchases Ledger</p> <p style="text-align: center;">Lincy account</p> <p>2017 April 7    Returns                      \$ April 18    Bank                      560    (1)    Discount                      3 234    )(1)                                         66    }</p> <p style="text-align: center;">Gail Account</p> <p>2017 April 24    Bank                      \$    Discount                      3 510    )(1)                                         90    }</p> <p>2017 April 5    Purchases                      \$                                         3 860    (1)</p> <p>2017 April 16    Purchases                      \$                                         3 600    (1)</p> <p><b>+ (1) dates</b></p>	
1(b)	<p>Decrease in inventory Decrease in bank/cash balance or increase in overdraft Increase in trade payables Increase in short term loans Increase in other payables Decrease in other receivables Purchase of non-current assets Increase in drawings Repayment of long term liabilities <b>Note: Not decrease in trade receivables as sells for cash only</b> <b>Any two reasons (1) each</b></p>	2
1(c)	<p>May not be able to pay debts when they fall due May not be able to take advantage of cash discounts May not be able to take advantage of business opportunities as they arise May have difficulty in obtaining further supplies May not be able to take drawings May not have sufficient funds to pay for day to day expenses <b>Any two points (1) each</b></p>	2

Question	Answer	Marks																				
1(d)	<table border="1"> <thead> <tr> <th></th> <th>increase</th> <th>decrease</th> <th>no effect</th> </tr> </thead> <tbody> <tr> <td>Take out a short-term bank loan</td> <td></td> <td></td> <td>✓(1)</td> </tr> <tr> <td>Repay a long-term bank loan</td> <td></td> <td>✓(1)</td> <td></td> </tr> <tr> <td>Sell goods on credit terms instead of for cash</td> <td></td> <td></td> <td>✓(1)</td> </tr> <tr> <td>Obtain a higher rate of cash discount</td> <td>✓(1)</td> <td></td> <td></td> </tr> </tbody> </table>		increase	decrease	no effect	Take out a short-term bank loan			✓(1)	Repay a long-term bank loan		✓(1)		Sell goods on credit terms instead of for cash			✓(1)	Obtain a higher rate of cash discount	✓(1)			4
	increase	decrease	no effect																			
Take out a short-term bank loan			✓(1)																			
Repay a long-term bank loan		✓(1)																				
Sell goods on credit terms instead of for cash			✓(1)																			
Obtain a higher rate of cash discount	✓(1)																					
1(e)	These are goods for re-sale/These goods are purchased for re-sale not for business use/The inventory would increase/ These are short-term assets	1																				
1(f)	Lower profit for the year Higher capital employed/Higher owner's capital(Equity)/Higher long term loans <b>Any 2 reasons (1) each</b>	2																				

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2(b)	<p>Meaning A contra entry is one which appears on the debit side of the purchases ledger control account and the credit side of the sales ledger control account. (1)</p> <p>Reason The entry is made when a sales ledger account is set off against a purchases ledger account of the same person/business. (1)</p>	2																																																																																										
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2(d)	<p>Overpayment by customer Payment made by customer without deducting cash discount Goods returned by customer after payment of balance due Payment made in advance by customer <b>Any two points (1) each</b></p>	2																																																																																										

Question	Answer	Marks
2(e)	Satisfied (1) Credit customers are now paying earlier/within credit period allowed/other valid answer (1)	2
2(f)	Do not have to allow Waheed cash discount May charge interest on overdue account	1
2(g)	Have to wait longer for payment/Adversely affects liquidity position Increase risk of bad debt <b>Any 1 point (1)</b>	1
2(h)	Waheed has the use of the funds for other purposes for 17 days Waheed does not need to use his existing liquid funds to pay suppliers Improved liquidity position <b>Or other suitable comment</b> <b>Any 2 comments (1) each</b>	2

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5(a)	Duality (1)	1																																																																
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5(d)	<b>Either</b> All the errors have not been found (1) There is still a balance on the suspense account (1) <b>Or – if the suspense account in (c) is closed –</b> All the errors have been discovered (1) There is no balance remaining on the suspense account (1)	2																																																																

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