Cambridge Assessment International Education

Cambridge IGCSE™

ACCOUNTING **0452/11**

Paper 1 Multiple Choice **May/June 2025**

1 hour 15 minutes

You must answer on the multiple choice answer sheet.

You will need: Multiple choice answer sheet
Soft clean eraser
Soft pencil (type B or HB is recommended)

INSTRUCTIONS

- There are **thirty-five** questions on this paper. Answer **all** questions.
- For each question there are four possible answers **A**, **B**, **C** and **D**. Choose the **one** you consider correct and record your choice in soft pencil on the multiple choice answer sheet.
- Follow the instructions on the multiple choice answer sheet.
- Write in soft pencil.
- Write your name, centre number and candidate number on the multiple choice answer sheet in the spaces provided unless this has been done for you.
- Do **not** use correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.

INFORMATION

- The total mark for this paper is 35.
- Each correct answer will score one mark.
- Any rough working should be done on this question paper.

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1 Which task will **not** be performed by a book-keeper?

View solution

A calculating accounting ratios

B preparing a purchases journal

C preparing a sales ledger

D writing up a petty cash book

2 What are assets?

View solution

	amounts owed to a business	amounts owed by a business	items owned by a business
A	no	no	yes
B	no	yes	yes
C	yes	no	yes
D	yes	yes	no

3 Sammy bought goods on credit and later returned some of these goods. How would he record the returns in his books of account?

View solution

	account debited	account credited
A	purchases	purchases returns
B	purchases returns	supplier
C	purchases returns	purchases
D	supplier	purchases returns

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4 An account in Peter's books of account was as follows:

View solution

Rami

	$		$
bank	380	balance b / d	400
discount received	20		
	400		400

Which statement is correct?

A Peter received a discount for buying in bulk.

B Peter received a discount for paying early.

C Rami received a discount for buying in bulk.

D Rami received a discount for paying early.

5 At the end of her financial year, Jasmine balanced her cash book and ledger accounts and made appropriate year-end transfers.

View solution

Which statements are correct?

1 The debit balance on the account of a credit customer will be shown as an asset in the statement of financial position.

2 The debit balance on the bank column in the cash book will be shown as a liability in the statement of financial position.

3 The total of the discount received account will be included in the cost of sales in the income statement.

4 The total of the general expenses account will be deducted from gross profit in the income statement.

A 1, 2 and 3 **B** 1, 3 and 4 **C** 1 and 4 only **D** 2 and 3 only

6 A trader bought goods on credit from a supplier.

View solution

In which book of prime entry would the trader record this transaction?

A cash book

B general journal

C purchases journal

D sales journal

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7 Which account balance will appear in the debit column of a trial balance?

View solution

A carriage inwards

B discounts received

C provision for doubtful debts

D purchases returns

8 The totals of a trial balance did **not** agree, and a suspense account was opened. It was later found that the total of the discount allowed column in the cash book of $100 had been credited to the discount allowed account.

View solution

Which journal entry corrects this error?

		debit $	credit $
A	discount allowed suspense	100	 100
B	discount allowed suspense	200	 200
C	suspense discount allowed	100	 100
D	suspense discount allowed	200	 200

9 After calculating his profit for the year, Yui discovered the following errors.

View solution

1 A purchase of a new motor vehicle for $3200 was debited to motor expenses.

2 The purchases account was overcast by $500.

What was the effect on the profit for the year **after** correcting these errors (ignore depreciation)?

A It decreased by $2700.

B It decreased by $3700.

C It increased by $2700.

D It increased by $3700.

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10 Jerry received a cheque of $450 from Fatima. He entered the receipt of the cheque correctly in his cash book. The posting to Fatima's account was reversed in error.

View solution

Which journal entry corrects this error?

	account debited	account credited
A	bank $450	Fatima $450
B	bank $900	suspense $900
C	suspense $450	bank $450
D	suspense $900	Fatima $900

11 Somraj's bank statement showed a credit balance of $740 at 31 January. Somraj compared the bank statement with his cash book and updated the cash book after he found the following:

View solution

	$
bank charges **not** recorded in the cash book	30
cheque paid but **not** presented to the bank	150

What was the updated cash book balance at 31 January?

A $590 **B** $620 **C** $860 **D** $890

12 George is preparing his purchases ledger control account.

View solution

Which information would he obtain from his general journal in order to do this?

A contra entries with the sales ledger

B goods returned to credit suppliers

C irrecoverable debts written off

D refunds received from credit suppliers

13 Javid's sales ledger control account had a debit balance of $12 000. Interest of $40 on an overdue account and also discount allowed of $150 had been omitted.

View solution

What was the correct balance on the sales ledger control account?

A $11 810 **B** $11 890 **C** $12 110 **D** $12 190

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14 What is the effect of incorrectly treating expenses as capital expenditure?

View solution

	income statement	
	profit for the year	expenses total
A	overstated	overstated
B	overstated	understated
C	understated	understated
D	understated	overstated

15 Atif depreciates his motor vehicles at a rate of 20% per annum, using the reducing balance method.

On 1 May 2024, Atif owned motor vehicles which had cost $35 000. The accumulated depreciation on these motor vehicles was $12 600 on 1 May 2024.

What will be the balance on Atif's provision for depreciation account on 30 April 2025?

View solution

A $17 080 **B** $17 920 **C** $22 400 **D** $26 880

16 T Limited rents out part of its premises. At the start of the year, the tenant was $600 in arrears. During the year, T Limited received $8650 in rent from the tenant. T Limited's income statement showed rent receivable for the year as $7900.

What was the balance brought down on the rent receivable account at the start of the following year?

View solution

A $150 on the credit side

B $150 on the debit side

C $1350 on the credit side

D $1350 on the debit side

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17 A provision for doubtful debts of 5% of trade receivables is maintained.

View solution

At 1 January 2024, the provision for doubtful debts account had a credit balance of $240.

At 31 December 2024, trade receivables owed $5200. It was decided that $200 of this amount was irrecoverable.

Which entry was made in the provision for doubtful debts account on 31 December 2024?

A debit $10

B credit $10

C debit $20

D credit $20

18 How should a business value its inventory?

View solution

A at the higher of cost and net realisable value

B at the lower of cost and net realisable value

C at the higher of selling price and cost

D at the lower of cost and net book value

19 Which items are shown in a statement of financial position?

View solution

	current assets	revenue	capital	non-current liabilities
A	✓	✓	✓	✗
B	✗	✗	✓	✓
C	✗	✓	✗	✓
D	✓	✗	✓	✓

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20 A business provided the following information about two expenses.

View solution

	1 January 2024 $	amount paid during year ended 31 December 2024 $	31 December 2024 $
electricity	240 accrued	1500	360 accrued
insurance	180 prepaid	1200	220 prepaid

Which amounts are charged to the income statement for the year ended 31 December 2024?

	electricity $	insurance $
A	900	800
B	1380	1240
C	1620	1160
D	2100	1600

21 Which item is a current liability?

View solution

A bank overdraft

B commission receivable

C mortgage loan on a property

D provision for doubtful debts

22 What is an advantage to a sole trader of forming a partnership?

View solution

A Decisions are always acted on immediately.

B Decisions are taken by the directors.

C Partners share profits and losses.

D Partners share the responsibilities.

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23 Which statements are correct in relation to the financial statements of a partnership?

View solution

1 Interest on partners' capital is shown as an expense in the income statement.

2 Interest on partners' drawings is added to the profit for the year in the appropriation account.

3 Partners' current account balances are shown in the statement of financial position.

4 Partners' salaries are shown as an expense in the income statement.

A 1 and 2 **B** 2 and 3 **C** 2 and 4 **D** 3 and 4

24 R Limited provided the following information.

View solution

	$
At 1 January 2024	
ordinary share capital	350 000
retained earnings	46 000
general reserve	37 000
For year ended 31 December 2024	
profit for the year	32 000
dividends paid	20 000

What was the value of total equity at the end of the year?

A $408 000 **B** $428 000 **C** $445 000 **D** $465 000

25 A club included the balance on its accumulated fund in its statement of financial position.

View solution

What is the equivalent of the accumulated fund in a statement of financial position of a sole trader?

A capital

B capital and liabilities

C current liabilities

D non-current assets

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26 Which item is included in a manufacturing account?

View solution

A carriage on purchases of finished goods

B depreciation of delivery vehicles

C repairs of factory machinery

D salaries of office supervisors

27 A trader's assets increased by $25 000 and liabilities decreased by $5000 during the year. He took no drawings during the year.

View solution

What was the profit or loss for the year?

A $20 000 loss

B $20 000 profit

C $30 000 loss

D $30 000 profit

28 A trader does **not** maintain a full set of accounting records.

View solution

How could he calculate the profit for the year?

A closing capital – opening capital – drawings – capital introduced

B closing capital – opening capital + drawings – capital introduced

C closing capital – opening capital + drawings + capital introduced

D closing capital – opening capital – drawings + capital introduced

29 Janice started trading on 1 January. All her sales were made on a cash basis.

View solution

During the year, Janice paid wages of $12 100 and took drawings of $7800 out of the amount received from customers. She also banked $56 000 of these receipts. At the year end, she held $150 of unbanked sales in cash.

Which value for Janice's sales was recorded in the income statement?

A $35 950 **B** $36 250 **C** $75 750 **D** $76 050

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30 A trader provided the following information.

View solution

	$
revenue	120 000
inventory at the start of the year	9 600
inventory at the end of the year	10 200

A mark-up of 25% is applied.

What were the purchases for the year?

A $89 400 **B** $90 600 **C** $95 400 **D** $96 600

31 A trader provided the following information for the year ended 31 December.

View solution

	$
total cash and credit purchases of goods for resale	150 000
cash purchases of goods for resale	17 000
credit purchases of non-current assets	25 000

His trade payables at that date were $8000.

What was the trade payables turnover?

A 17 days

B 20 days

C 22 days

D 24 days

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32 The following information is taken from an income statement.

View solution

	$
cost of sales	15 000
gross profit	10 000
motor expenses	4 000
general expenses	1 000

What is the profit margin for the year?

A 20% **B** 24% **C** 36% **D** 40%

33 The trade receivables turnover of a business is 42 days.

View solution

Trade receivables are allowed 30 days to settle their accounts.

The business has difficulty paying its credit suppliers.

Which statements are correct?

1 Credit customers are taking longer than allowed to pay their accounts.
2 It takes on average 42 days to receive payments from credit customers.
3 It would be easier to pay credit suppliers if credit customers paid within 30 days.
4 The business has an efficient credit control system.

A 1 and 2 only **B** 1, 2 and 3 **C** 2 and 4 **D** 4 only

34 A business does **not** record the skills or morale of its employees in its financial statements.

View solution

Which accounting principle is being applied?

A historic cost
B materiality
C money measurement
D realisation

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35 What does the objective of understandability assume users of financial statements will possess?

View solution

A full knowledge of accounting

B knowledge of book-keeping but **not** accounting

C no knowledge of book-keeping or accounting

D reasonable knowledge of accounting

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