Cambridge Assessment International Education

Cambridge IGCSE™

ACCOUNTING **0452/13**

Paper 1 Multiple Choice **October/November 2023**

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.

This document has **12** pages. Any blank pages are indicated.

IB23 11_0452_13/FP
© UCLES 2023

1 Which action does **not** reduce the owner's capital?

View solution

A business expenses paid using a personal cheque

B cash withdrawn from the business bank account for personal use

C goods taken from inventory for personal use

D personal expenses paid using business cash

2 Which statement correctly describes the accounting equation?

View solution

A capital = assets – liabilities

B capital = assets + liabilities

C capital = current assets – current liabilities

D capital = current assets + current liabilities

3 What could a credit balance on a ledger account represent?

View solution

A accrued income

B asset

C expense

D prepaid income

4 Aiden purchased goods from Jai and paid for them by bank transfer when he received a statement of account. Jai says he has not received the payment.

Which document would help Aiden check that he had made the payment?

View solution

A bank statement

B cheque counterfoil

C paying-in slip

D petty cash voucher

5 At the end of the month, how is the total from the sales journal recorded in the ledger?

View solution

A credited to the customers' personal accounts

B credited to the sales account

C debited to the customers' personal accounts

D debited to the sales account

© UCLES 2023

6 A customer paid \$15 600 to a supplier after receiving a $2\frac{1}{2}\%$ cash discount and a trade discount of 20%.

View solution

What was the amount of the invoice entered in the purchases journal?

A \$12 480 **B** \$15 600 **C** \$16 000 **D** \$20 000

7 A trader maintains a petty cash book using the imprest system. The imprest amount is \$120. The petty cash transactions during the month of June were:

View solution

	\$
receipt from a customer	21
payments	
stationery	25
postage	10
cleaning	20
payment to a supplier	40

How much was given to the petty cashier on 1 July to restore the imprest?

A \$46 **B** \$74 **C** \$95 **D** \$120

8 Paula's trial balance contains errors.

View solution

	debit \$	credit \$
fixtures and fittings	4 000	
light and heat	600	
purchases	11 200	
insurance	1 200	
sales		16 500
trade payables		3 500
trade receivables	5 500	
bank overdraft	1 000	
capital		3 500
drawings		2 000
	23 500	25 500

What is the corrected trial balance total?

A \$23 500 **B** \$24 500 **C** \$25 500 **D** \$26 500

© UCLES 2023

9 The following entry was made in a journal to record the correction of an error.

View solution

	debit $	credit $
Wasim	320	
bank		320

Which error has been corrected?

A A cheque, $160, was credited to Wasim's account but no debit entry was made.

B A cheque, $160, was debited to the bank account but no credit entry was made.

C A cheque paid to Wasim, $160, was credited to his account and debited to the bank.

D A cheque received from Wasim, $160, was credited to his account and debited to the bank.

10 Which statement correctly describes a suspense account?

View solution

A It is an account opened to check for errors in a trial balance.

B It is a permanent account used to correct the statement of financial position.

C It is a temporary account used to correct errors of complete reversal.

D It is an account that is opened when the totals of a trial balance disagree.

11 A trader prepared a draft income statement which showed a profit for the year of $36 000.

View solution

A check of the books revealed the following information.

1 Drawings made by the owner of $900 had been debited to the wages account.

2 The provision for doubtful debts was increased by $20 at the year-end. The income statement was charged with the total provision of $260.

3 The total of the discount allowed column in the cash book, $140, for one month had not been debited to the discount allowed account.

What was the correct profit for the year?

A $34 720 **B** $36 520 **C** $37 000 **D** $37 280

© UCLES 2023

12 Alicia's cash book showed a debit balance of $100 on her bank account. She compared her cash book to the bank statement and updated the cash book for the following items.

View solution

	$
credit transfer to a credit supplier	80
credit transfer from a credit customer	112
bank interest paid	19

What was the debit balance on the bank account after the cash book was updated?

A $49 **B** $73 **C** $113 **D** $151

13 The balance of cash at bank shown in the cash book is $1200. The bank statement at the same date shows the balance to be $1440.

View solution

What could explain the difference?

A payment to a supplier, $120, entered on the wrong side of the cash book

B bank charges, $240, not in the cash book

C cheques to suppliers, $240, not yet presented to the bank

D receipts from customers, $240, banked but not yet entered in the bank statement

14 Jane wished to make a contra entry between a sales ledger account and a purchases ledger account.

The credit entry was made correctly but the debit entry was entered in the sales returns account in error.

View solution

What was the effect of this error?

A Total purchases ledger balances were overstated.

B Total purchases ledger balances were understated.

C Total sales ledger balances were overstated.

D Total sales ledger balances were understated.

15 Which transaction is capital expenditure?

View solution

A capital introduced by the owner

B payment of wages

C purchase of a new computer

D repair of equipment

16 Sales returns were incorrectly recorded as purchases returns in an income statement.

View solution

What was the effect of this error?

A Capital employed was understated.

B Cost of sales was overstated.

C Gross profit was understated.

D Profit for the year was overstated.

17 What is a reason for charging depreciation on a non-current asset?

View solution

A to build up a fund of money that can be used to replace the asset

B to charge the cost of the asset over the years which benefit from its use

C to ensure that profit is not understated in the income statement

D to show the asset at its market value in the statement of financial position

18 Which non-current asset should be depreciated using the revaluation method?

View solution

A loose tools

B mines and wells

C motor vehicles

D office equipment

19 A motor van originally cost $11 500 and had been depreciated by $9000. The van was sold for $2750.

View solution

How should the profit or loss on the sale of the van be shown in the disposal account?

A $250 credit

B $250 debit

C $2500 credit

D $2500 debit

© UCLES 2023

20 Joseph sells goods on credit and maintains a provision for doubtful debts. He wants to increase his provision for doubtful debts by $400.

View solution

Which journal entry records this increase in the provision for doubtful debts?

		debit $	credit $
A	credit customer	400	
	income statement		400
B	income statement	400	
	credit customer		400
C	income statement	400	
	provision for doubtful debts		400
D	provision for doubtful debts	400	
	income statement		400

21 What is an advantage of operating as a sole trader?

View solution

A being entitled to all profits

B being responsible for all losses

C having limited liability

D having unlimited liability

22 Emma provided the following information at the end of her financial year.

View solution

	$
fees receivable from clients	78 000
rent receivable	11 000
office expenses	20 000
motor expenses	9 000
drawings	2 000

What was her profit for the year?

A $47 000 **B** $49 000 **C** $58 000 **D** $60 000

© UCLES 2023

23 A trader provided the following data.

View solution

	$
total purchases	25 301
purchase returns	1 945
carriage inwards	748
goods taken for own use	1 425

What was the net figure for purchases in the income statement?

A $21 931 **B** $22 679 **C** $23 356 **D** $24 104

24 Pari and Ira are in a partnership, sharing profits and losses equally.

View solution

Interest on the capital account balances is allowed at 6% per annum.

Pari is entitled to a salary of $5000 per annum.

The capital account balances at the start of the year were $60 000 for Pari and $40 000 for Ira.

The profit for the year was $27 500.

How much residual profit was credited to Pari's current account at the end of the year?

A $8250 **B** $10 750 **C** $11 250 **D** $13 250

25 Which item is directly affected by the dividend policy of a limited company?

View solution

A general reserve

B ordinary share capital

C preference share capital

D retained earnings

26 What are the features of a debenture?

View solution

	return received	rate of return	voting rights
A	dividend	based on profit	yes
B	dividend	fixed rate	no
C	interest	based on profit	yes
D	interest	fixed rate	no

© UCLES 2023

27 How are subscriptions received and subscriptions written off recorded in a receipts and payments account?

View solution

	subscriptions received	subscriptions written off
A	as a credit	as a debit
B	as a credit	no entry made
C	as a debit	as a credit
D	as a debit	no entry made

28 Par Golf Club had a shop that sold golfing equipment to its members. The treasurer provided the following information for the shop for the year ended 31 December.

View solution

	$
sales of golfing equipment	5 300
opening inventory of golfing equipment	400
closing inventory of golfing equipment	450
purchases of golfing equipment	2 700
returns from customers	200
carriage on purchases	100

What was the shop's gross profit for the year?

A $2250 **B** $2350 **C** $2450 **D** $2750

29 Which option contains only indirect costs?

View solution

A carriage inwards, factory rent, wages of factory supervisors

B carriage inwards, raw materials, wages of machine operators

C depreciation of machinery, factory rent, wages of factory supervisors

D depreciation of machinery, raw materials, wages of machine operators

30 The capital of a business is higher at the end of year 2 than it was at the end of year 1. No additional capital has been introduced during year 2.

View solution

What does this mean?

A The business has made a loss.

B The business has made a profit.

C The business has sold some non-current assets.

D The business has taken a long-term loan.

© UCLES 2023

31 Rahat has not maintained a full set of double entry records. She has details of her assets and liabilities at the start and end of the year.

Which additional information does Rahat need in order to be able to prepare her income statement for the year?

View solution

A a statement of affairs at the start of the year

B a summary of receipts and payments for the year

C the amount of her capital at the end of the year

D the rate of inventory turnover for the year

32 Toby's purchases for the year were $13 000. His closing inventory was $1000 more than his opening inventory. Toby's gross margin is 20%.

View solution

What was Toby's revenue for the year?

A $14 400 **B** $15 000 **C** $16 800 **D** $17 500

33 CD Limited took out a long-term bank loan and used part of the funds to pay some of its credit suppliers early.

How did this affect the trade payables turnover (days) and the return on capital employed (ROCE)?

View solution

	trade payables turnover (days)	return on capital employed (ROCE)
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

34 Jimmy made credit sales of $98 550 in each of the years 2021 and 2022.

View solution

In 2022, his trade receivables turnover was exactly two days shorter than it had been in 2021.

What was the **change** in his total trade receivables in 2022?

A $135 decrease

B $135 increase

C $540 decrease

D $540 increase

35 Which characteristic of financial information requires that financial statements be clearly presented and assumes that the users of the financial statements will have a reasonable knowledge of accounting?

View solution

A comparability

B relevance

C reliability

D understandability

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.

© UCLES 2023