Cambridge IGCSE® Accounting 0452/01 – 2020 Specimen Paper 1 (Solved with Official Answers & Explanations)

1. What is the purpose of book-keeping?

A) to interpret the double entry records

B) to prepare financial statements at regular intervals

C) to record all the financial transactions of the business ■ (Correct)

D) to summarise the financial position of the business

Note: Book-keeping is the systematic process of recording every business transaction.

2. What are assets?

A) items that are bought for long-term use by a business

B) items that are expected to be turned into cash in the near future

C) items that are owned by or owed by a business

D) items that are owned by or owed to a business ■ (Correct)

Note: Assets are resources owned by a business or amounts receivable from others.