



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education
Advanced Subsidiary Level and Advanced Level

CANDIDATE
NAME

CENTRE
NUMBER

--	--	--	--	--

CANDIDATE
NUMBER

--	--	--	--



ACCOUNTING

9706/23

Paper 2 Structured Questions

October/November 2012

1 hour 30 minutes

Candidates answer on the Question Paper

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

You may use a soft pencil for rough working.

Do not use staples, paper clips, highlighters, glue or correction fluid.

DO **NOT** WRITE IN ANY BARCODES.

Answer **all** questions.

All accounting statements are to be presented in good style.

International accounting terms and formats should be used as appropriate.

Workings must be shown.

You may use a calculator.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [] at the end of each question or part question.

For Examiner's Use	
1	
2	
3	
Total	

This document consists of **13** printed pages and **3** blank pages.



2

- 1 On 31 March 2012 the following balances were extracted from the books of YCAT.

		\$
Inventory – 1 April 2011	Raw materials	53 000
	Work in progress	80 000
	Finished goods	76 000
Raw materials purchased		800 000
Revenue		2 500 000
Direct wages		450 000
Carriage inwards on raw materials		6 000
Indirect wages		68 000
Returns outwards on raw materials		18 500
Trade receivables		83 000
Revenue returns		22 000
Rates and insurance		38 000
General factory overheads		93 000
Loan interest paid		5 000
Office salaries		80 000
General office expenses		100 000
Premises		600 000
Factory machinery at cost		220 000
Provision for depreciation of factory machinery		40 000
10% Long term loan		100 000
Provision for doubtful debts		3 800

Additional information

- | | | \$ |
|---|---------------------------|--------|
| 1 | Inventory – 31 March 2012 | |
| | Raw materials | 47 000 |
| | Work in progress | 92 000 |
| | Finished goods | 68 000 |
- 2 The provision for doubtful debts is to be 5% of trade receivables.
 - 3 At 31 March 2012 rates and insurance owing amounted to \$950. Rates and insurance are apportioned between the factory and general office in the ratio of 4:1 respectively.
 - 4 Depreciation is to be provided on premises at 5% per annum straight line. This is apportioned between the factory and general office in the ratio of 4:1 respectively.
 - 5 Depreciation on factory machinery is to be provided at 15% using the reducing balance method.

(ii) Prepare the appropriation account for the year ended 30 June 2012.

For
Examiner's
Use

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

[9]

- (d) The partners are now considering changing their business from a partnership to a limited company. Explain to the partners the meaning of the term 'limited liability'.

*For
Examiner's
Use*

.....

.....

.....

.....

.....

.....

.....

.....

[3]

[Total: 30]

- (d) ABG Ltd has received an enquiry for an additional order of 3000 units of Gamma at a special price of \$50 per unit. Additional fixed costs of \$15 000 would be incurred.

Assuming no material shortage, calculate the profit or loss on this order.

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

[4]

- (e) Identify **three** factors which ABG Ltd should consider when deciding whether to accept this additional order for Gamma.

1
..... [2]
2
..... [2]
3
..... [2]

[Total: 30]

BLANK PAGE

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.

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