



# UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS General Certificate of Education

CANDIDATE	UNIVERSITY OF CAMBRIDGE INTER General Certificate of Education Advanced Subsidiary Level and Advan		NS ANDRIGUE COM
NAME			
CENTRE NUMBER		CANDIDATE NUMBER	

9706/21 **ACCOUNTING** 

Paper 2 Structured Questions

May/June 2013 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.

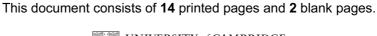
International accounting terms and formats should be used as appropriate.

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.





www.PapaCambridge.com The Klassik Music Society produced the following receipts and payments summary 1 year ended 31 March 2013.

Receipts	\$
Subscriptions	30 000
Sales of food and drink	50 000
Bank loan	30 000
Income from concerts	116 800
Sale of surplus equipment	30 000
Payments	
Balance, 1 April 2012	12 000
Purchase of new equipment	10 000
Hire of hall for concerts	27 000
Printing	14 000
Equipment maintenance and repairs	8 000
Purchases of food and drink	23 000
Salaries	45 000
Cost of concerts	83 500
Sundry expenses	760
Sponsorship	1 000
Balance, 31 March 2013	?

#### Additional information:

	31 M	arch 2012	31 March 2013
		\$	\$
1	Salaries in arrears	2 800	1 600
	Subscriptions owing	1 600	2 600
	Subscriptions prepaid	1 000	400
	Printing accrued	2 600	2 800
	Equipment (cost \$200 000), at NBV	160 000	?
	Food and drink inventory	15 400	13 200

- 2 The bank loan was received on 1 July 2012. Interest is charged at 12% per annum. No interest had been paid by the year end.
- 3 The equipment sold was purchased on 1 June 2011 and had a NBV of \$32 000.
- 4 Depreciation is provided at 20% on cost for equipment in use at the year end.

# **REQUIRED**

	42
	3 M. Day
RE	QUIRED
(a)	QUIRED  Prepare the trading section of the income statement for the year ended 31 March 20 in the section of the income statement for the year ended 31 March 20 in the section of the income statement for the year ended 31 March 20 in the section of the income statement for the year ended 31 March 20 in the section of the income statement for the year ended 31 March 20 in the section of the income statement for the year ended 31 March 20 in the section of the income statement for the year ended 31 March 20 in the section of the income statement for the year ended 31 March 20 in the section of the income statement for the year ended 31 March 20 in the section of the section
	[2]
(b)	Calculate the gross profit percentage, to <b>one</b> decimal place, made on sales of food and drink.
	[2]
(c)	The prices of food and drink sold had been planned to obtain a gross margin of 70%.
	Compare this figure with the figure calculated in <b>(b)</b> and state <b>two</b> reasons why these figures may differ.
	[4]

	4
(d)	Prepare the income and expenditure account of the Klassik Music Society for the ended 31 March 2013.

[Total: 30]

[Turn over

2 Bach runs a manufacturing business. An extract from his statement of financial pos 1 January 2012 is shown below:

	6		Man. D.	
ns a manufacturing b ry 2012 is shown belo		ct from his statement	of financial pos	ant
Non-current assets	Cost \$	Accumulated depreciation	Net book value .\$	andridge co.
Factory premises Machinery	220 000 138 600	26 400 52 200	193 600 86 400	100

During 2012 the following transactions took place for machinery.

### **Disposals**

Date	Machinery reference	Year of purchase	Initial cost	Disposal proceeds
26 March	M12	2009	մ 14 000	φ 7 100
17 August	M18	2008	8 000	1 320
13 December	M20	2007	9 600	850

#### **Additions**

Machinery	
reference	Cost
	\$
M27	11 500
M31	16 200
	reference M27

All receipts and payments for these transactions are processed through the business bank account.

All of the remaining machinery at 31 December 2012 was purchased after 2008.

Depreciation on the factory premises is charged on a straight line basis based on a 50 year life, with no residual value.

Depreciation on machinery is charged on a straight line basis based on a five year life and an estimated residual value of 10% of the original cost.

It is the company policy to charge a full year's depreciation in the year of purchase but none in the year of disposal.

# **REQUIRED**

www.PapaCambridge.com (a) Prepare the following ledger accounts for the year ended 31 December 2012. (i) Machinery account (ii) Provision for depreciation of machinery account

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		Machinery disposals account	
	(iii)	Machinery disposals account	mb.
			ridg
		To	
(h)	lder	[6 ntify <b>two</b> alternative methods of providing for depreciation.	]
(5)	1	Tary two distributed from our providing for depression.	
	2		
		[2	
(c)		te <b>three</b> causes of depreciation.	
	2		
	3		
		[3	]

www.PapaCambridge.com Bach's statement of financial position showed the following at 1 January 2013:

Trade receivables \$12 000

Trade payables \$10 000

Bank balance \$800 Dr

Sales are paid in full one month after the sale

Purchases are payable 50% in the month of purchase, the remainder one month later

Other expenses are paid in the month they occur

Budgeted sales, purchases and other expenses for the period January to March 2013 are as follows:

	January \$	February \$	March \$
Sales	10 000	12 000	14 000
Purchases	8 000	12 000	16 000
Other expenses	5 000	5 000	5 000

(d) Complete the following table to show the budgeted closing bank balance on 31 March 2013.

Receipts	January	February	March
Receipts from customers			
Payments			
Payments to suppliers			
Other expenses			
Opening bank balance			
Net cash flow			
Closing bank balance			

[6]

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(e)	Suggest <b>two</b> ways Bach could improve his budgeted bank balance at 31 March 2	For iner's
	1	Tage
	2	John
		[2]

[Total: 30]

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Question 3 is on the next page.

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www.PapaCambridge.com Bazeri Limited manufactures a range of components and the directors provide the following 3 forecast information for the year ended 31 December 2014. Direct material 125 000 kilos @ \$2.48 per kilo 32 000 hours @ \$10.00 per hour Direct labour – Department A 20 000 hours @ \$9.00 per hour Direct labour – Department B Production overhead – Department A \$520 000 Production overhead – Department B \$480 000 Administration overhead \$405 000 Profit margin 20%

#### **REQUIRED**

Calculate the forecast profit for Bazeri Limited for the year ended 31 December 2014	
	[9]

# Additional information:

Production overheads are to be recovered for both departments A and B on the basis of direct labour hours.

Administration overheads are to be recovered as a percentage of direct production costs.

# **REQUIRED**

**(b)** Calculate the following forecast overhead absorption rates:

	the state of the s	
	Ta Adaptive RED  Iculate the following forecast overhead absorption rates:  Production overhead – Department A	
UU	RED	Car
Ca	Iculate the following forecast overhead absorption rates:	Mrice
(i)	Production overhead – Department A	36
		[2]
(ii)	Production overhead – Department B	
		[2]
iii)	Administration overhead	
		[2]

Bazeri Limited has been asked to quote for a job, reference J316, that would a following:

would a For iner's

Direct material 5625 kilos Direct labour – Department A 1500 hours Direct labour – Department B 1200 hours

### **REQUIRED**

(C)	Calculate the total costs of job J316.
	[441
	[11]
(d)	Calculate the price Bazeri Limited will quote for job J316.
	[4]

[Total: 30]

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