

Please check the examination details below before entering your candidate information

Candidate surname					Other names				
Centre Number					Candidate Number				

Pearson Edexcel International Advanced Level

Friday 27 October 2023

Afternoon (Time: 3 hours)

Paper reference **WAC12/01**

Accounting

International Advanced Level

UNIT 2: Corporate and Management Accounting

You must have:
Source Booklet (enclosed)

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **both** questions in Section A and **three** questions from Section B.
- All calculations must be shown.
- Answer the questions in the spaces provided
– *there may be more space than you need.*
- Do not return the Source Booklet with the question paper.

Information

- The total mark for this paper is 200.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*
- Calculators may be used.
- The source material for use with Questions 1 to 6 is in the enclosed Source Booklet.

Advice

- Read each question carefully before you start to answer it.
- Check your answers if you have time at the end.

Turn over ►

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SECTION A

Answer BOTH questions in this section. Write your answers in the spaces provided.

Source material for Question 1 is on pages 2 and 3 of the Source Booklet.

- 1** (a) Calculate the break-even point for the production of e-bikes in the UK, for Year One in:
- (i) sales units

(14)

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(ii) revenue.

(2)

(b) Calculate for Year One the:

(i) margin of safety in sales units

(4)

(ii) margin of safety as a percentage of sales.

(3)



The closing inventory of e-bikes is expected to be valued at £683 775

(c) Calculate the budgeted net profit for PedalPower plc for Year One.

(6)



(d) Complete a break-even graph for Year One for an output of 0 to 45 000 units.

You may decide to use this page for workings.

(14)

Workings

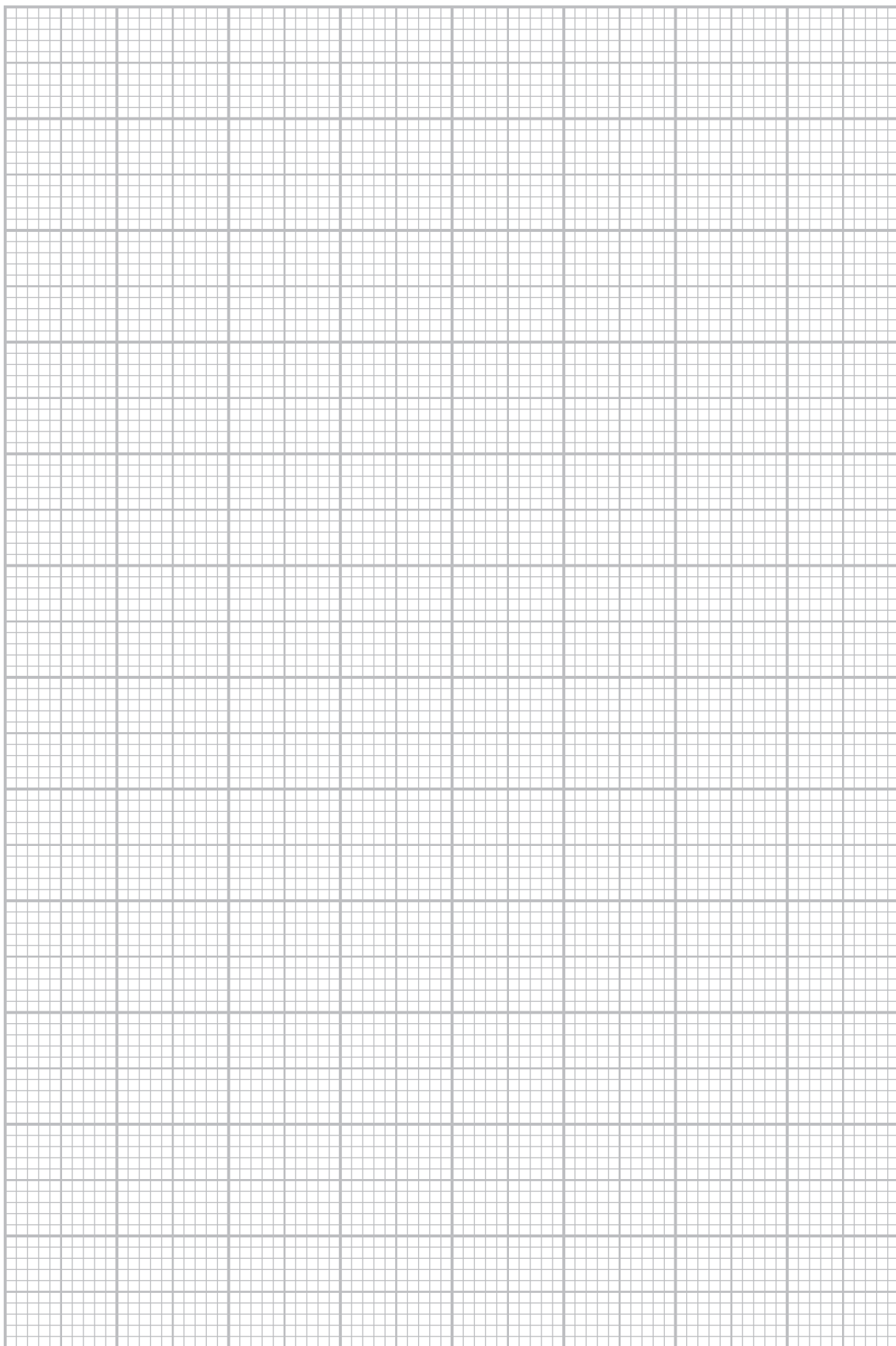
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- (e) Evaluate the **two** possible options for the manufacture of the e-bikes, in the UK or outside the UK, and recommend one option.

(12)

(Total for Question 1 = 55 marks)



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Source material for Question 2 is on pages 4 and 5 of the Source Booklet.

- 2** (a) Prepare the Statement of Financial Position for Matara Clothing plc at 30 September 2023 in accordance with International Accounting Standard (IAS) 1. (43)

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(b) Evaluate the usefulness of the Auditor's Report to the users of financial statements of Matara Clothing plc.

(12)

(Total for Question 2 = 55 marks)

TOTAL FOR SECTION A = 110 MARKS



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SECTION B

Answer THREE questions from this section. Write your answers in the spaces provided.

Indicate which question you are answering by marking a cross in the box ☒. If you change your mind, put a line through the box ☒ and then indicate your new question with a cross ☒.

If you answer Question 3, put a cross in the box ☒ .

Source material for Question 3 is on pages 6 and 7 of the Source Booklet.

- 3 (a) Prepare the revenue budget for the period, January 2024 to April 2024, showing the revenue received for **each** month in pounds (£). (3)

Revenue Budget	January	February	March	April

Workings

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Workings

[illegible]

(c) Prepare an extract from the cash budget for January 2024 to April 2024, showing the amount paid for labour for **each** month in pounds (£).

(4)

Cash Budget (extract)	January	February	March	April

Workings

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- (e) Evaluate whether the order of drawing up budgets shown is a suitable order for Magic Carpet plc.

(6)

(Total for Question 3 = 30 marks)



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If you answer Question 4, put a cross in the box ☐ .

Source material for Question 4 is on pages 8 and 9 of the Source Booklet.

- 4 (a) Calculate the budgeted net profit for one year of operating the motorway.

(14)

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- (b) Calculate the average rate of return (accounting rate of return) of the project, stating the formula used.

(4)



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(c) Calculate the payback period of the project.

(6)

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If you answer Question 5, put a cross in the box ☐ .

Source material for Question 5 is on pages 10 and 11 of the Source Booklet.

5 (a) Complete the table to show how the following reserves in a company are:

- created
- used.

Reserve	Created	Used
(i) Retained earnings (2)		
(ii) Foreign exchange reserve (2)		
(iii) Share premium reserve (2)		
(iv) Revaluation reserve (3)		

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(b) Calculate the gearing ratio of Yau Tong Trading plc at the start of the financial year, on 1 October 2022.

(7)

(c) Calculate the total interest that must be paid by Yau Tong Trading plc in the financial year ending 30 September 2023.

(4)



- (d) Prepare Journal entries, including a date and a narrative, for the issue of the bonus shares.

(4)

- (e) Evaluate the gearing ratio at the start of the year, making suggestions as to how it could be improved.

(6)

(Total for Question 5 = 30 marks)



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If you answer Question 6, put a cross in the box ☐ .

Source material for Question 6 is on pages 12 and 13 of the Source Booklet.

6 (a) Calculate, for the year ended 30 September 2023, the:

(i) dividend per ordinary share

(3)

(ii) dividend yield

(3)

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(iii) dividend cover

(4)

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(iv) return on capital employed

(8)

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(v) price/earnings ratio.

(6)

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- (b) Evaluate whether Dhara should sell her shares in Rajshahi Electronics plc and place the monies received into the bank account.

(6)

(Total for Question 6 = 30 marks)

TOTAL FOR SECTION B = 90 MARKS
TOTAL FOR PAPER = 200 MARKS

