



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

CANDIDATE
 NAME

CENTRE
 NUMBER

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CANDIDATE
 NUMBER

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ACCOUNTING

9706/22

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 **14** printed pages and **2** blank pages.

2

- 1 Sharon Woo does not maintain full accounting records but is able to provide the following cash receipts and payments information for the year ended 30 April 2012.

Cash receipts	\$	Cash payments	\$
Cash sales	260 000	Payments to credit suppliers	216 000
Receipts from trade debtors	40 000	Equipment	20 000
Disposal of surplus equipment	4 800	Wages	22 000
		Drawings	48 000
		Rent	10 000

The following information is also available:

1	Balances	1 May 2011	30 April 2012
		\$	\$
	Premises	100 000	100 000
	Bank	8 000	3 200 Cr
	Trade receivables	26 800	24 800
	Trade payables	21 200	22 400
	Equipment	24 000	36 400
	Rent prepaid	1 200	1 600
	Inventory	16 800	20 800

- 2 Surplus equipment was sold at a loss of \$400
- 3 The sales figure does **not** include \$18 000 of which Sharon Woo took \$6 000 for her own use and the remainder was used to pay wages.
- 4 Discounts allowed during the year amounted to \$7200.
- 5 Discounts received during the year amounted to \$10 800.

- (c) Calculate the return on capital employed for the year ended 30 April 2012 (to **two** decimal places) using the opening capital figure.

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[3]

- (d) Advise Sharon Woo how she can use the figure for return on capital employed to assess the performance of her business.

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[3]

[Total: 30]

(e) Prepare the suspense account, clearly showing the balance brought forward.

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[4]

[Total: 30]

3 Rapunzel Ltd produce three types of shampoo: Aloe, Hazel and Peach.

Each shampoo uses the same manufacturing process but contains different ingredients.

The following data is available for the 6 months ended 31 October 2012.

	Aloe	Hazel	Peach
Sales (litres)	120 000	39 000	60 000
Selling price per litre	\$8.00	\$14.00	\$10.00
Direct materials per litre	\$2.70	\$7.80	\$5.36
Variable overheads per litre	\$1.80	\$2.20	\$1.00
Direct labour rate per hour	\$3.20	\$3.20	\$3.20
Output per labour hour (litres)	8	4	5

Total fixed costs of \$477 750 for the 6 months were recovered at the rate of \$13.00 per direct labour hour.

No inventory is kept and all output is sold in the month of production.

REQUIRED

(a) Calculate the total direct labour hours required for the 6 months ended 31 October 2012.

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[2]

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