Cambridge Assessment International Education

Cambridge International AS & A Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

* 3 3 1 2 5 8 2 7 4 1 *

ACCOUNTING **9706/33**

Paper 3 Financial Accounting **May/June 2023**

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use an HB pencil for any diagrams, graphs or rough working.
- You may use a calculator.
- International accounting terms and formats should be used as appropriate.
- You should show your workings.

INFORMATION

- The total mark for this paper is 75.
- The number of marks for each question or part question is shown in brackets [ ].
- The insert contains all of the sources referred to in the questions.

This document has **12** pages. Any blank pages are indicated.

DC (CJ) 316653/3

1 Read Source A in the insert.

(a) Calculate the partnership's profit for the year ended 31 March 2022.

....

....

....

....

....

....

....

....

....

.... [2]

(b) Prepare the partners' capital accounts on **page 3** to show the closing entries. Use the space provided for workings to show your workings.

Capital Accounts

	Alan $	Betty $		Alan $	Betty $

Workings:

[10]

(c) Calculate the amount paid by J Limited into the partnership bank account.

....

....

....

....

....

....

....

....

....

....

....

.... [4]

(d) Prepare the partnership bank account to show the closing entries.

....

....

....

....

....

....

....

....

....

.... [4]

Additional information

The partnership business of Alan and Betty was the first business acquired as a part of the expansion strategy of J Limited. In a meeting to review the result of the acquisition after one year, the finance director reported that the acquisition of the partnership business did not bring the expected additional profit to J Limited.

(e) Advise whether or not J Limited should continue the expansion strategy. Justify your answer.

....

....

....

....

....

....

....

....

....

....

....

....

....

.... [5]

[Total: 25]

2 **Read Source B in the insert.**

(a) State **two** comparisons which a business may make by using ratios to assess its performance.

1 ....

....

2 ....

.... [2]

(b) Calculate:

(i) net assets at 31 December 2022

....

....

....

....

....

....

....

....

.... [2]

(ii) retained earnings at 31 December 2022

....

....

....

....

.... [2]

(iii) retained earnings at 1 January 2022.

....

....

....

....

....

....

....

....

....

.... [6]

(c) Calculate the following at 31 December 2022:

(i) working capital cycle (round **each** component up to the next whole day)

....

....

....

....

....

....

Workings:

[6]

(ii) gearing ratio (to **two** decimal places).

....

....

....

.... [2]

Additional information

B plc, a major competitor, has a working capital cycle which is 5 days shorter than that of Z plc.

(d) Advise the directors of Z plc whether or not they should be concerned about the company's working capital cycle. Justify your answer.

....

....

....

....

....

....

....

....

....

....

....

....

....

.... [5]

[Total: 25]

3 Read Source C in the insert.

(a) Explain why a manufacturing business may provide for unrealised profit.

....

....

....

....

....

.... [2]

(b) Prepare the manufacturing account for the year ended 31 December 2022.

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

.... [6]

(c) Prepare the statement of profit or loss for the year ended 31 December 2022.

[14]

Additional information

The financial statements of W Limited for the year ended 31 December 2022 are ready to be audited.

(d) Explain the importance of a true and fair view opinion in the auditor's report.

....

....

....

....

....

.... [3]

[Total: 25]

BLANK PAGE