



Cambridge International AS & A Level

CANDIDATE
NAME

CENTRE
NUMBER

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CANDIDATE
NUMBER

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ACCOUNTING

9706/41

Paper 4 Cost and Management Accounting

October/November 2023

1 hour

You must answer on the question paper.

You will need: Insert (enclosed)

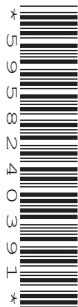
INSTRUCTIONS

- 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.
- You should present all accounting statements in good style.
- You should show your workings.

INFORMATION

- The total mark for this paper is 50.
- 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 8 pages.



1 Read Source A in the insert.

(a) State **two** purposes of preparing a **cash** budget.

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[2]

(b) Prepare the cash budget for **each** of the months November, December and January.

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3

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Workings:

[12]

4

(c) Prepare the budgeted statement of profit or loss for the three-month budgeted period ending 31 January. Start your answer with the gross profit.

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Workings:

Option 1 Offer a cash discount of 2.5% to credit customers if they pay one month after sales. It is estimated that 80% of the credit customers will take the cash discount.

(d) Advise the directors which option, if either, they should choose. Justify your answer.

..... [7]

[Total: 25]

2 Read Source B in the insert.

(a) State **two** benefits of variance analysis.

1

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2

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[2]

(b) Calculate the following variances:

(i) sales price

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..... [2]

(ii) sales volume (as a measure of change in profit)

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..... [2]

(iii) direct material total

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..... [2]

(iv) direct labour total

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..... [2]

Additional information

The standard direct material used for each unit is 3 kilos at \$6 per kilo. The actual price in July was \$6.40 per kilo. The existing supplier has announced that the direct material price it charges will increase by 5% from August.

The directors have approached a new supplier who has quoted the price of \$6.20 per kilo with a minimum of 10 000 kilos per order.

- (d)** Advise the directors whether or not they should change to the new supplier. Support your answer with relevant calculations.

[7]

[Total: 25]

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