



Cambridge International AS & A Level

CANDIDATE
NAME

CENTRE
NUMBER

CANDIDATE
NUMBER

ACCOUNTING

9706/41

Paper 4 Cost and Management Accounting

October/November 2024

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) Explain **two** advantages of preparing a budget.

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[4]

(b) Prepare the following budgets for T Limited for the months of **April, May** and **June**.

(i) production budget (in units)

	April	May	June
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[4]





(ii) purchases budget (in kilos and dollars)

	April	May	June
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[6]

Additional information

All goods are sold on a credit basis for \$200 each. The credit period is 2 months. However, if the customers settle their accounts in the following month after sale, they will be allowed a discount of 3%. It is expected that 40% of the customers will take the discount.

(c) Prepare a trade receivables budget for the month of **June**, showing the opening and closing balances.

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[Turn over]





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2 Read Source B in the insert.

(a) Explain how the internal rate of return (IRR) can be used to make a capital investment decision.

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