

**MARK SCHEME for the October/November 2009 question paper  
for the guidance of teachers**

**9706 ACCOUNTING**

**9706/21**

Paper 21 (Structured Questions), maximum raw mark 90

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes must be read in conjunction with the question papers and the report on the examination.

- CIE will not enter into discussions or correspondence in connection with these mark schemes.

CIE is publishing the mark schemes for the October/November 2009 question papers for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.

1 (a)		\$	\$	
	Bank	5 000		
	Stock	45 000		
	Debtors	52 000		
	Prepayments	3 000		
	Vehicles	40 000		
	Fixtures	30 000		
	Electricity		5 000	
	Creditors		<u>35 000</u>	
		<u>175 000</u>	<u>40 000</u>	
	Total partnership		135 000	
	Current accounts (net)		<u>15 000</u>	
	Total of capital accounts		<u>120 000</u>	
	Capital	Rahul	80 000	(2)
		Shivam	40 000	(2)

[4]

(b) Trading, profit & loss and appropriation accounts for the year ended 31 March 2009.

		\$	\$	
	Sales (805 000 – 52 000 + 63 000)		816 000	(3)
	Less cost of sales			
	Opening stock	45 000		
	Purchases (600 000 – 35 000 + 41 000)	<u>606 000</u>		(3)
		651 000		
	Closing stock	<u>48 000</u>	<u>603 000</u>	
	Gross profit		213 000	
	Electricity (25 000 – 5 000 + 6 000)	26 000		(3)
	Rent & rates (34 000 + 3 000 – 2 000)	35 000		(3)
	Insurance	14 500		(1)
	General expenses	14 000		(1)
	Depreciation vehicles	20 000		(1)
	fixtures and fittings	<u>2 000</u>	<u>111 500</u>	(1)
	Net profit		101 500	(1 of)
	Interest on capital	Rahul	8 000	
		Shivam	<u>4 000</u>	12 000 (1 of)
	Salaries	Rahul	25 000	
		Shivam	<u>30 000</u>	<u>55 000</u> (1)
			67 000	
			34 500	
	Share of residue	Rahul	23 000	
		Shivam	<u>11 500</u>	<u>34 500</u> (1 of)

[20]

www.PapaCambridge.com

(c) Rahul's current account

	\$		\$	
Drawings	25 000	(1)	Bal b/d	15 500 (1)
			Int on cap	8 000 (1 of)
			Salaries	25 000 (1)
Bal c/d	<u>46 500</u>	(1 of)	Share of R	<u>23 000</u> (1 of)
	<u>71 500</u>			<u>71 500</u>
			Bal b/d	46 500

[6]

[Total: 30]

Closing balance sheet as proof (not for marking)

FA	Vehicles		80 000
	F & F		<u>28 000</u>
			108 000
CA	Stock	48 000	
	Debtors	63 000	
	Bank	7 500	
	Prepaid	<u>2 000</u>	120 500
CL	Creditors	41 000	
	Accrued	<u>6 000</u>	<u>47 000</u>
NCA			<u>73 500</u>
			<u>181 500</u>
Capital accounts	Rahul	80 000	
	Shivam	<u>40 000</u>	120 000
Current accounts	Rahul	46 500	
	Shivam	<u>15 000</u>	<u>61 500</u>
			<u>181 500</u>

2 (a) Café trading account for the year ended 30 September 2009

	\$	\$	\$	\$	
Sales				94 320	
Cost of sales					
Opening stock			9 500		
Purchases		43 500			
	7 900				
	<u>6 700</u>	1 200	<u>44 700</u>		(2)
			54 200		
Closing stock			<u>10 500</u>	<u>43 700</u>	
				50 620	
Wages				<u>23 500</u>	(1)
Profit				<u>27 120</u>	(1 of) [4]

(b) Income and expenditure account for the year ended 30 September 2009

	\$	\$	
<b>INCOME</b>			
Subscriptions – ordinary (31 200 + 2 200 + 2 600 – 2 400 – 2 800)			30 800 (5)
Subscriptions – life (5 × 2 000)/20			500 (1)
Dinner dance (6 000 – 5 230)			770 (1)
Café profit			27 120
Interest on deposit account			<u>4 500</u>
			63 690
<b>Less EXPENDITURE</b>			
Greenkeepers' wages	25 000		
Insurance (3 450 + 430 – 550)	3 330		(1)
Depreciation (26 200 + 2 150 – 25 400)	2 950		(1)
Secretary's honorarium	2 000		
General expenses	8 950		
Clubhouse repairs	3 540		
Clubhouse rates (4 500 – 900 + 950)	<u>4 550</u>		<u>50 320</u> (1)
Surplus			<u>13 370</u> [10]

(c) Balance sheet at 30 September 2009

	\$	\$	\$	
Fixed assets				
Clubhouse			120 000	
Furniture and fittings			<u>25 400</u>	
			145 400	(1)
Current assets				
Stock	10 500			
Bank current account	10 980			
Bank deposit account	110 190			(1)
Cash	530			
Prepayment	550			
Subs due	<u>2 600</u>	135 350		(1)
Current liabilities				
Creditors	7 900			
Accrual	950			
Subs prepaid	<u>2 400</u>	<u>11 250</u>		(1)
Net current assets			<u>124 100</u>	(1 of)
			<u>269 500</u>	
Accumulated fund at 1 October 2008			246 630	(6)
Surplus			13 370	
Life members' fund			<u>9 500</u>	(1)
			<u>269 500</u>	[12]

(d) Advantages

Show cash position  
Easy to record

Disadvantages

Capital and revenue expenditure not separated  
Depreciation ignored

Any two sensible advantages and disadvantages acceptable.  
Not more than two of each.

[4]

[Total: 30]

Accumulated fund at 1/10/08

Clubhouse	120 000	Accruals	900
Stock	9 500	Crs	6 700
Prepaid	430	Subs prepaid	2 200
F & F	26 200		
Subs due	2 800		
Cash	850		
Bank current a/c	12 150		
Bank deposit a/c	<u>84 500</u>	Accumulated fund	<u>246 630</u>
	<u>256 430</u>		<u>256 430</u>

1 mark for every correct pair

3 (a) Number of hours worked

Athol	5 000	} (1)
Brose	3 250	
Crowdie	<u>5 500</u>	
Total	<u>13 750</u>	(1)

(b) Contribution per DL hour

Athol	$\frac{(120\,000 - 108\,000)}{5\,000}$	\$2.40	(2)
Crowdie	$\frac{(88\,000 - 60\,500)}{5\,500}$	\$5.00	(2)

[4]

(c)

	Units produced	DL hours		Units per DL hour	
Athol	$\frac{120\,000}{3}$	40 000	5 000	8	(3)
Brose	$\frac{91\,000}{7}$	13 000	3 250	4	(3)
Crowdie	$\frac{88\,000}{4}$	22 000	5 500	4	(3)

[9]

(d) Brose's variable costs are greater than its sales; contribution is negative. Or similar answer. [1]

(e) Estimated profit statement

	Athol	Crowdie	Total	
	\$	\$	\$	
Sales	<u>180 000</u>	<u>128 000</u>	<u>308 000</u>	(3)
Direct materials	72 000	40 000	112 000	(3)
Direct labour	30 750	32 800	63 550	(3)
Variable overheads	<u>60 000</u>	<u>16 000</u>	<u>76 000</u>	(3)
	162 750	88 800	251 550	
Fixed costs			<u>22 000</u>	(1)
			<u>273 550</u>	
Estimated profit			\$34 450	(1 of) [14]

[Total: 30]

Workings

	Athol	Crowdie
Units sold	60 000	32 000
RM unit cost	1.20	1.25
Units per hour	8	4
Rate per DL hour	4.10	4.10
Original sales revenue	120 000	88 000
Original V overheads	40 000	11 000
Ratio of Sales rev to var o/heads	3:1	8:1