



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

May/June 2011

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 **12** printed pages.



2 The following information is available for the Northern Division of Blackford Industrial

Statement of financial position at 30 April 2011

	\$000	\$000	\$000
Non-current assets at net book value			180
Current assets			
Inventory		40	
Trade receivables		35	
Bank		<u>43</u>	
		118	
Current liabilities			
Trade payables	55		
Other payables	<u>23</u>		
		<u>78</u>	
Net current assets			<u>40</u>
Capital employed			<u>220</u>
Equity			
Ordinary share capital – \$1 each			190
Share premium		10	
Retained earnings		<u>20</u>	
			<u>30</u>
Total shareholders' funds			<u>220</u>

Additional information for year ended 30 April 2011

	\$000
Total revenue (sales)	480
Cash purchases	240
Cash paid to credit suppliers	60
Operating expenses	120

At 30 April 2010, the following balances were reported:

	\$000
Inventory	28
Trade payables	15

REQUIRED

(a) Calculate the following amounts for the year ended 30 April 2011:

(i) cost of sales

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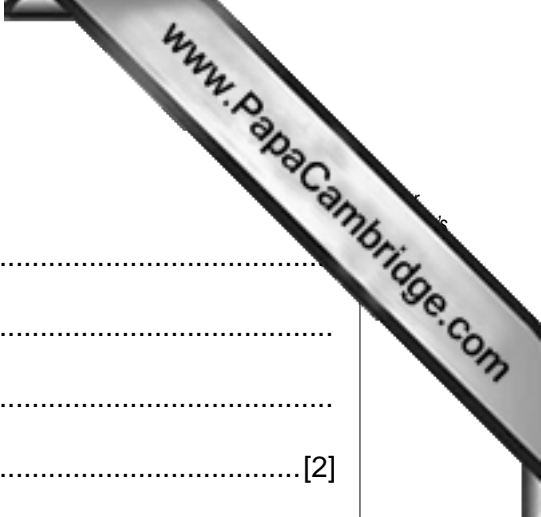
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[4]



(ii) gross profit and profit for the year (net profit).

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..... [2]

An analysis of the Southern Division of Blackford Industrial Ltd for the year ended 30 April 2011 yielded the following results.

Southern Division

- 1 Mark-up 40%
- 2 Gross profit percentage 28.57%
- 3 Expenses to sales 20%
- 4 Net profit percentage 8.57%
- 5 Return on capital employed 18.00%
- 6 Rate of inventory (stock) turnover 8.95 times
- 7 Liquid ratio (acid test) 1.1:1

REQUIRED

Northern Division

(b) Calculate **each** of the same ratios for the Northern Division of Blackford Industrial Ltd, for the year ended 30 April 2011. The calculations should be correct to **two** decimal places.

(i) Mark-up

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..... [2]

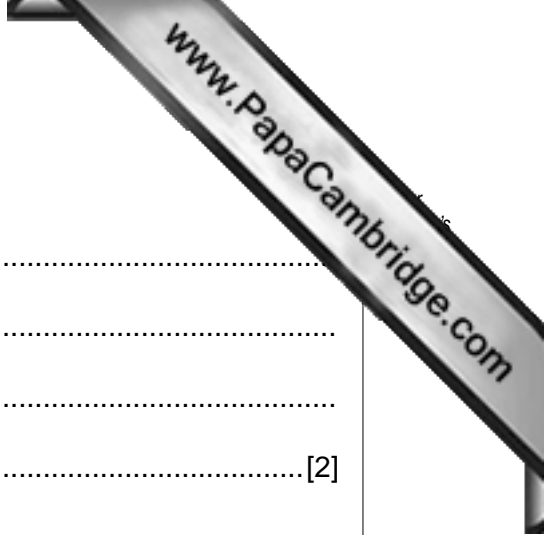
(ii) Gross profit percentage

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(iii) Expenses to sales

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..... [2]

(iv) Net profit percentage

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..... [2]

(v) Return on capital employed

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..... [2]

(vi) Rate of inventory (stock) turnover

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..... [2]

(vii) Liquid ratio (acid test)

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..... [2]

