

Cambridge International AS & A Level

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		

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.

1 Read Source A in the insert.

(a)	State two purposes of preparing a cash budget.	
	1	
	2	
		[2]
(b)	Prepare the cash budget for each of the months November, December and January.	

Workings:

	Otant your ar	iswer with	the gross p	orofit.	ree-month	
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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.

Additional information

Option 1

To improve the future cash position the directors have two options.

Option 2 Pay the suppliers two months after the purchases. (d) Advise the directors which option, if either, they should choose. Justify your answer.

[Total: 25]

2 Read Source B in the insert.

(a)		te two benefits of variance analysis.
	1	
	2	
41.	0.1	[2]
(b)	Cal	culate the following variances:
	(i)	sales price
		[2]
	(ii)	sales volume (as a measure of change in profit)
		[2]
	(iii)	direct material total
		[2]
	(iv)	direct labour total
		[2]

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	(v)	fixed overhead total.
		[2]
Add	itior	nal information
Eacl	n un	it requires two standard labour hours. The actual labour hours are 3456.
		lain the likely reasons for the direct labour total variance calculated in (b)(iv) . Support r answer with the calculation of other relevant variances.
	you	anower with the edicalation of ether relevant variances.

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.

(a)	answer with relevant calculations.
	[7]

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[Total: 25]

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