Cambridge Assessment International Education

Cambridge International AS & A Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

3312582741

ACCOUNTING **9706/33**

Paper 3 Financial Accounting **May/June 2023**

1 hour 30 minutes

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.
- International accounting terms and formats should be used as appropriate.
- You should show your workings.

INFORMATION
- The total mark for this paper is 75.
- 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 **12** pages. Any blank pages are indicated.

DC (CJ) 316653/3

1 Read Source A in the insert.

(a) Calculate the partnership's profit for the year ended 31 March 2022.

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.... [2]

(b) Prepare the partners' capital accounts on **page 3** to show the closing entries. Use the space provided for workings to show your workings.

Capital Accounts

	Alan $	Betty $		Alan $	Betty $

Workings:

[10]

(c) Calculate the amount paid by J Limited into the partnership bank account.

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(d) Prepare the partnership bank account to show the closing entries.

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.... [4]

Additional information

The partnership business of Alan and Betty was the first business acquired as a part of the expansion strategy of J Limited. In a meeting to review the result of the acquisition after one year, the finance director reported that the acquisition of the partnership business did not bring the expected additional profit to J Limited.

(e) Advise whether or not J Limited should continue the expansion strategy. Justify your answer.

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[Total: 25]

2 Read Source B in the insert.

(a) State **two** comparisons which a business may make by using ratios to assess its performance.

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.... [2]

(b) Calculate:

(i) net assets at 31 December 2022

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.... [2]

(ii) retained earnings at 31 December 2022

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.... [2]

(iii) retained earnings at 1 January 2022.

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(c) Calculate the following at 31 December 2022:

(i) working capital cycle (round **each** component up to the next whole day)

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Workings:

[6]

(ii) gearing ratio (to **two** decimal places).

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Additional information

B plc, a major competitor, has a working capital cycle which is 5 days shorter than that of Z plc.

(d) Advise the directors of Z plc whether or not they should be concerned about the company's working capital cycle. Justify your answer.

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[Total: 25]

3 **Read Source C in the insert.**

(a) Explain why a manufacturing business may provide for unrealised profit.

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(b) Prepare the manufacturing account for the year ended 31 December 2022.

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[Turn over

(c) Prepare the statement of profit or loss for the year ended 31 December 2022.

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Additional information

The financial statements of W Limited for the year ended 31 December 2022 are ready to be audited.

(d) Explain the importance of a true and fair view opinion in the auditor's report.

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.... [3]

[Total: 25]

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