



Cambridge International AS & A Level

CANDIDATE
NAME
CENTRE
NUMBER

--	--	--	--	--

CANDIDATE
NUMBER

--	--	--	--

ACCOUNTING

9706/42

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. Any blank pages are indicated.



[3]

(e) Explain the likely reasons for the favourable direct labour variance of \$1980 with reference to the analysis of its two sub-variances.

[4]

* 0000800000005 *



5



BLANK PAGE

DO NOT WRITE IN THIS MARGIN





(b) Discuss whether the directors should be concerned about the uncertainty over the estimated sales revenue. Support your answer with calculations.

..... [6]



Additional information

The directors are preparing the cash budget for Year 4. They have two options available for an amount of \$80 000.

Option 1 Continue to manufacture Product A for two more years by launching a promotional campaign. (Despite the machine being fully depreciated, it can continue to be used for two more years.)

Option 2 Start designing a new product, Product B, to be launched in Year 5.

(c) Advise the directors which option they should choose. Justify your answer.

..... [7]

[Total: 25]

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.

