



Cambridge International AS & A Level

ACCOUNTING

9706/43

Paper 4 Cost and Management Accounting

October/November 2025

INSERT

1 hour

INFORMATION

- This insert contains all of the sources referred to in the questions.
- You may annotate this insert and use the blank spaces for planning. **Do not write your answers** on the insert.



This document has **4** pages. Any blank pages are indicated.

Source A for Question 1

W Limited makes Product X and operates a standard costing system.

The budgeted selling price was \$80 per unit, and the sales volume for March was 8000 units.

The standard cost per unit was as follows:

Direct materials	3 kilos at \$5 per kilo
Direct labour	4 hours at \$12 per hour
Fixed overhead	\$2.50 per labour hour

Actual results for March:

Units produced and sold	10 000	Sales revenue	\$ 795 000
Direct materials used	31 500 kilos	Direct materials cost	149 625
Direct labour hours	40 500 hours	Labour cost	510 300
		Fixed overhead	81 000

Source B for Question 2

GM Limited manufactures two products: Mini and Grand. Information for the previous year is as follows:

1 Direct costs were:

	Mini	Grand
	\$	\$
Direct material	148 000	282 000
Direct labour	57 000	93 000

2 Manufacturing overheads of \$192 000 were traditionally apportioned to both products, based on direct labour hours. To price each product, the company added 90% to the total manufacturing cost.

3 Other information:

	Mini	Grand
Units produced and sold	5 000	3 600
Labour hours	6 600	11 000
Machine hours	25 000	19 600
Material orders	95	55
Inspection hours	810	880

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