



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

October/November 2010

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.
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 **13** printed pages and **3** blank pages.



1 On 1 January 2009 Clara Coyle, a sole trader, had the following balances:

	\$
Inventory (stock)	24 170
Premises	60 000
Fittings and fixtures (net book value)	28 000
Cash and cash equivalents (bank)	4 000
Rates repaid	440
Trade receivables (debtors)	3 810
Trade payables (creditors)	3 420
Capital	117 000

There was no opening cash or cash equivalent.

Full accounting records were not kept, but the following information was available for the year ended 31 December 2009.

Bank Account Receipts	\$
Loan from uncle (interest free)	10 000
Receipts from trade receivables (debtors)	163 100
Cash sales paid into bank	34 000
Bank Account Payments	
Payments to trade payables (creditors)	141 508
Ordinary goods purchased (purchases) by cheque	6 300
Rates	2 600
Drawings	3 650
General expenses	4 410
Wages	21 300
Cash payments from cash sales	
General expenses	2 680
Purchases	1 200
Balances as at 31 December 2009	
Trade receivables (debtors)	4 100
Trade payables (creditors)	11 850
Rates prepaid	240
General expenses owing	400
Wages owing	1 620
Cash and cash equivalents (cash)	515
Bank	?

Additional information:

- 1 The selling price on all goods is based on cost plus 25%.
- 2 During the year Clara Coyle withdrew goods, costing \$140, from the business, for her own use.
- 3 The business allowed discounts, \$1 300, to its trade receivables (debtors).
- 4 The business received discounts, \$1 600, from its trade payables (creditors).
- 5 No additions or disposals of non-current (fixed) assets took place during the year.

Depreciation of \$3 000 is to be provided on fixtures and fittings.

Premises are not depreciated.

- 2 The following information is given about the Schubert Music Club.

Schubert Music Club
Balance Sheet at 31 December 2008

	Cost \$	Depreciation \$	Net Book Value \$
Non-current (Fixed) Assets			
Clubhouse	50 000	10 000	40 000
Instruments	<u>6 000</u>	<u>5 000</u>	<u>1 000</u>
	<u>56 000</u>	<u>15 000</u>	41 000
Current Assets			
Inventory (stock) of cafe supplies		4 000	
Subscriptions in arrears		400	
Cash and cash equivalents (bank)		<u>2 100</u>	
		6 500	
Current Liabilities			
Trade payables (creditors) for cafe supplies	3 000		
Cafe expenses owing	1 200		
Subscriptions in advance	<u>300</u>		
		<u>4 500</u>	<u>2 000</u>
			<u>43 000</u>
Accumulated fund			41 000
Life subscriptions			<u>2 000</u>
			<u>43 000</u>

Schubert Music Club
Receipts and Payments Account for the year ended 31 December 2009

	\$		\$
Balance b/d	2 100	Suppliers for cafe	8 400
Subscriptions – 2008	300	Cafe expenses	4 200
Subscriptions – 2009	2 200	Wages – cafe staff	5 000
Life subscriptions	4 000	Clubhouse repairs	6 000
Cafe takings	18 500	Sundries	2 500
		Balance c/d	<u>1 000</u>
	<u>27 100</u>		<u>27 100</u>

Additional information at 31 December 2009

- 1 Inventory (stock) for the cafe was \$2 000.
- 2 Suppliers for cafe purchases were owed \$2 200.
- 3 Cafe expenses of \$50 were owing.
- 4 Depreciation is to be charged on a straight line basis:
Clubhouse: 4% on cost per annum
Instruments: \$1 000 per annum

(d) Based on your calculations advise Debussy whether or not to go ahead and produce all three products. Give reasons for your advice.

*For
Examiner's
Use*

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[Total: 30]

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