www.dynamicpapers.com

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

GCE Advanced Subsidiary Level and GCE Advanced Level

MARK SCHEME for the October/November 2009 question paper for the guidance of teachers

9706 ACCOUNTING

9706/21 Paper 21 (Structured Questions), maximum raw mark 90

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes must be read in conjunction with the question papers and the report on the examination.

- CIE will not enter into discussions or correspondence in connection with these mark schemes.

CIE is publishing the mark schemes for the October/November 2009 question papers for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.

UNIVERSITY of CAMBRIDGE
International Examinations

www.dynamicpapers.com

1 (a)

	$	$	
Bank	5 000		
Stock	45 000		
Debtors	52 000		
Prepayments	3 000		
Vehicles	40 000		
Fixtures	30 000		
Electricity		5 000	
Creditors		35 000	
	175 000	40 000	
Total partnership		135 000	
Current accounts (net)		15 000	
Total of capital accounts		120 000	
Capital Rahul		80 000	(2)
Shivam		40 000	(2)

[4]

(b) Trading, profit & loss and appropriation accounts for the year ended 31 March 2009.

			$	$	
Sales (805 000 – 52 000 + 63 000)				816 000	(3)
Less cost of sales					
Opening stock			45 000		
Purchases (600 000 – 35 000 + 41 000)			606 000		(3)
			651 000		
Closing stock			48 000	603 000	
Gross profit				213 000	
Electricity (25 000 – 5 000 + 6 000)			26 000		(3)
Rent & rates (34 000 + 3 000 – 2 000)			35 000		(3)
Insurance			14 500		(1)
General expenses			14 000		(1)
Depreciation vehicles			20 000		(1)
fixtures and fittings			2 000	111 500	(1)
Net profit				101 500	(1 of)
Interest on capital	Rahul	8 000			
	Shivam	4 000	12 000		(1 of)
Salaries	Rahul	25 000			
	Shivam	30 000	55 000	67 000	(1)
				34 500	
Share of residue	Rahul		23 000		
	Shivam		11 500	34 500	(1 of)

[20]

© UCLES 2009

www.dynamicpapers.com

(c) Rahul's current account

	$			$	
Drawings	25 000	(1)	Bal b/d	15 500	(1)
			Int on cap	8 000	(1 of)
			Salaries	25 000	(1)
Bal c/d	46 500	(1 of)	Share of R	23 000	(1 of)
	71 500			71 500	
			Bal b/d	46 500	[6]

[Total: 30]

Closing balance sheet as proof (not for marking)

FA	Vehicles			80 000
	F & F			28 000
				108 000
CA	Stock	48 000		
	Debtors	63 000		
	Bank	7 500		
	Prepaid	2 000	120 500	
CL	Creditors	41 000		
	Accrued	6 000	47 000	
NCA				73 500
				181 500
Capital accounts	Rahul		80 000	
	Shivam		40 000	120 000
Current accounts	Rahul		46 500	
	Shivam		15 000	61 500
				181 500

© UCLES 2009

www.dynamicpapers.com

2 (a) Café trading account for the year ended 30 September 2009

	$	$	$	$	
Sales				94 320	
Cost of sales					
Opening stock			9 500		
Purchases		43 500			
	7 900				
	6 700	1 200	44 700		(2)
			54 200		
Closing stock			10 500	43 700	
				50 620	
Wages				23 500	(1)
Profit				27 120	(1 of) [4]

(b) Income and expenditure account for the year ended 30 September 2009

	$	$	
INCOME			
Subscriptions – ordinary			
(31 200 + 2 200 + 2 600 – 2 400 – 2 800)		30 800	(5)
Subscriptions – life (5 × 2 000)/20		500	(1)
Dinner dance (6 000 – 5 230)		770	(1)
Café profit		27 120	
Interest on deposit account		4 500	
		63 690	
Less EXPENDITURE			
Greenkeepers' wages	25 000		
Insurance (3 450 + 430 – 550)	3 330		(1)
Depreciation (26 200 + 2 150 – 25 400)	2 950		(1)
Secretary's honorarium	2 000		
General expenses	8 950		
Clubhouse repairs	3 540		
Clubhouse rates (4 500 – 900 + 950)	4 550	50 320	(1)
Surplus		13 370	[10]

© UCLES 2009

www.dynamicpapers.com

(c) Balance sheet at 30 September 2009

	$	$	$	
Fixed assets				
Clubhouse			120 000	
Furniture and fittings			25 400	
			145 400	(1)
Current assets				
Stock	10 500			
Bank current account	10 980			
Bank deposit account	110 190			(1)
Cash	530			
Prepayment	550			
Subs due	2 600	135 350		(1)
Current liabilities				
Creditors	7 900			
Accrual	950			
Subs prepaid	2 400	11 250		(1)
Net current assets			124 100	(1 of)
			269 500	
Accumulated fund at 1 October 2008			246 630	(6)
Surplus			13 370	
Life members' fund			9 500	(1)
			269 500	[12]

(d) Advantages

Show cash position
Easy to record

Disadvantages

Capital and revenue expenditure not separated
Depreciation ignored

Any two sensible advantages and disadvantages acceptable.
Not more than two of each. [4]

[Total: 30]

Accumulated fund at 1/10/08

Clubhouse	120 000	Accruals	900
Stock	9 500	Crs	6 700
Prepaid	430	Subs prepaid	2 200
F & F	26 200		
Subs due	2 800		
Cash	850		
Bank current a/c	12 150		
Bank deposit a/c	84 500	Accumulated fund	246 630
	256 430		256 430

1 mark for every correct pair

© UCLES 2009

www.dynamicpapers.com

3 (a) Number of hours worked

Athol	5 000	(1)
Brose	3 250	
Crowdie	5 500	
Total	13 750	(1)

[2]

(b) Contribution per DL hour

Athol $\frac{(120\,000 - 108\,000)}{5\,000}$ = $2.40 (2)

Crowdie $\frac{(88\,000 - 60\,500)}{5\,500}$ = $5.00 (2) [4]

(c)

	Units produced	DL hours		Units per DL hour	
Athol	$\frac{120\,000}{3}$	40 000	5 000	8	(3)
Brose	$\frac{91\,000}{7}$	13 000	3 250	4	(3)
Crowdie	$\frac{88\,000}{4}$	22 000	5 500	4	(3) [9]

(d) Brose's variable costs are greater than its sales; contribution is negative.
Or similar answer. [1]

(e) Estimated profit statement

	Athol $	Crowdie $	Total $	
Sales	180 000	128 000	308 000	(3)
Direct materials	72 000	40 000	112 000	(3)
Direct labour	30 750	32 800	63 550	(3)
Variable overheads	60 000	16 000	76 000	(3)
	162 750	88 800	251 550	
Fixed costs			22 000	(1)
			273 550	
Estimated profit			$34 450	(1 of) [14]

[Total: 30]

Workings

	Athol	Crowdie
Units sold	60 000	32 000
RM unit cost	1.20	1.25
Units per hour	8	4
Rate per DL hour	4.10	4.10
Original sales revenue	120 000	88 000
Original V overheads	40 000	11 000
Ratio of Sales rev to var o/heads	3:1	8:1

© UCLES 2009