Please check the examination details below before entering your candidate information

Candidate surname | Other names

Pearson Edexcel
International Advanced Level

Centre Number | Candidate Number

Time 3 hours

Paper reference **WAC12/01**

Accounting

International Advanced Level
PAPER 2: Corporate and Management Accounting

You must have:
Source Booklet (enclosed)

Total Marks

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Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **both** questions in Section A and **three** questions from Section B.
- All calculations must be shown.
- Answer the questions in the spaces provided – *there may be more space than you need.*
- Do not return the Source Booklet with the question paper.

Information

- The total mark for this paper is 200.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*
- Calculators may be used.
- The source material for use with Questions 1 to 6 is in the enclosed Source Booklet.

Advice

- Read each question carefully before you start to answer it.
- Check your answers if you have time at the end.
- Good luck with your examination.

Turn over ▶

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SECTION A

Answer BOTH questions in this section.

Source material for Question 1 is on pages 2 to 4 of the Source Booklet.

1 (a) Prepare for Sofa So Good plc, in accordance with International Accounting Standard 1 (Revised), a:

(i) Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2021

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(ii) Statement of Financial Position at 31 March 2021.

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(b) Evaluate the role of the auditor in the corporate governance of a limited company. You must include in your answer how the auditors' concerns should be addressed.

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(Total for Question 1 = 55 marks)

Source material for Question 2 is on pages 6 to 9 of the Source Booklet.

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2 (a) Calculate, for Week 43, the:

(i) number of hours worked by each labourer

(4)

(ii) total hours worked in the Cutting Department.

(1)

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(b) Calculate, for the budgeted production of 480 timber lengths for Week 43, the:

(i) budgeted labour cost of production

(2)

(ii) actual labour cost of production

(3)

(iii) labour efficiency variance

(3)

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(iv) labour rate variance

(5)

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(v) total labour variance.

(3)

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(c) Calculate the:

(i) budgeted number of trees required to meet the budgeted production

(2)

(ii) budgeted material cost of production

(1)

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(iii) actual cost per tree

(2)

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(iv) material usage variance

(3)

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(v) material price variance

(3)

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(vi) total material variance.

(3)

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(d) (i) Explain why the actual fixed overhead figure may be different to the budgeted fixed overhead figure but the actual variable overhead figure is equal to the budgeted variable overhead figure.

(4)

(ii) State **two** examples of fixed overheads that may decrease over time. Give a reason why each of these may decrease.

(4)

1

2

(e) Evaluate the performance of Galana Saw Mill Limited in Week 43, considering any changes that may be beneficial for the company in the future.

(12)

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(Total for Question 2 = 55 marks)

TOTAL FOR SECTION A = 110 MARKS

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SECTION B

Answer THREE questions from this section.

Indicate which question you are answering by marking a cross in the box ☒. If you change your mind, put a line through the box ☒ and then indicate your new question with a cross ☒.

If you answer Question 3 put a cross in the box ☐ .

Source material for Question 3 is on pages 10 to 12 of the Source Booklet.

3 (a) Calculate the profit or loss after interest payments for the year ended 31 March 2021.

(2)

Inventories decreased during the year.

(b) (i) Explain **one** advantage of a decrease in inventories.

(2)

(ii) Explain **one** disadvantage of a decrease in inventories.

(2)

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Customers owed £36 400 000 at the end of the year.

(c) Calculate the amount customers owed at the start of the year.

(1)

Trade payables decreased during the year.

(d) Explain **one** advantage of a decrease in trade payables.

(2)

A 12% bank loan was issued on 1 October 2016.

(e) Calculate the amount of the loan.

(2)

Equipment was the only non-current asset sold in the year.

(f) State the carrying value of the equipment when sold.

(3)

(g) State **two** reasons, *ex*cluding receiving dividends, why Maldisun plc would buy shares in other companies.

(2)

1 .....

.....

2 .....

.....

(h) State **two** reasons why a company may issue additional shares.

(2)

1 .....

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2 .....

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At 1 April 2020, Maldisun plc had £7 050 000 in cash.

(i) Calculate the bank balance of the company at this date.

(2)

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During the year ended 31 March 2021, the bank balance increased by £7 900 000

(j) Calculate the cash balance at the end of the year.

(4)

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At a board meeting of Maldisun plc, a director made the following statement. "The increase in cash and cash equivalents in the year was quite small. This increase could have been much bigger if we had not paid £23 million of dividends in the year."

(k) Evaluate whether it is appropriate for Maldisun plc to pay £23 million in dividends in the year ended 31 March 2021.

(6)

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(Total for Question 3 = 30 marks)

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If you answer Question 4 put a cross in the box ☒ .

Source material for Question 4 is on pages 14 and 15 of the Source Booklet.

4 (a) Calculate the break-even point in sales units for **one quarter (three-month period)**.

(10)

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(b) Calculate the profit or loss for 2021 Quarter 1.

(4)

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(c) Calculate, for the electronic edition only, the break-even point in sales units for **one quarter (three-month period)**.

(10)

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(d) Evaluate the option of moving the magazine to an electronic only edition.

(6)

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(Total for Question 4 = 30 marks)

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If you answer Question 5 put a cross in the box ☒ .

Source material for Question 5 is on pages 16 to 18 of the Source Booklet.

5 (a) Complete the Statement of Changes in Equity using the information shown in the Source Booklet, for the year ended 31 March 2021.

You should show all your workings.

(20)

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Figures are in £ millions	Ordinary Share £1 Capital £	Share Premium £	Retained Earnings £	General Reserve £	Foreign Exchange Reserve £	£	£	Total Equity £
(1) Balance at 1 April 2020								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9) Balance at 31 March 2021								

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(b) Explain **two** reasons why a redemption of shares may take place.

(4)

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At a Board Meeting on 1 May 2021, the Board decided to raise more capital. The Board considered the possibility of an issue of a debenture to raise capital.

(c) Evaluate the issue of a debenture as a method to raise capital by Tangail Logistics plc.

(6)

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(Total for Question 5 = 30 marks)

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If you answer Question 6 put a cross in the box ☒ .

Source material for Question 6 is on pages 20 and 21 of the Source Booklet.

6 (a) Prepare for Hercules plc the following budgets for the RG57 for each of the three months from July 2021 to September 2021. You should round to the nearest whole number where appropriate.

(i) Inventory budget (in units)

(2)

	July	August	September
Inventory (units)			

Workings

(ii) Sales budget (in units)

(3)

	July	August	September
Sales (units)			

Workings

(iii) Production budget (in units)

(10)

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	July	August	September

Workings

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(b) Prepare for Hercules plc the Trade Receivables budget for the RG57 for the three months from July 2021 to September 2021, showing the amount receivable at the end of each month.

You should round to the nearest whole number where appropriate.

(5)

	July	August	September

Workings

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(c) Prepare for Hercules plc an extract from the cash budget, showing amounts received during the three months from July 2021 to September 2021 for sales of the RG57.

You should round to the nearest whole number where appropriate.

(4)

	July	August	September

Workings

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(d) Evaluate the suggestion of the Production Director of Hercules plc.

(6)

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(Total for Question 6 = 30 marks)

TOTAL FOR SECTION B = 90 MARKS
TOTAL FOR PAPER = 200 MARKS

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