



# Cambridge International AS & A Level

CANDIDATE  
NAME

CENTRE  
NUMBER

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CANDIDATE  
NUMBER

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## ACCOUNTING

9706/33

Paper 3 Financial Accounting

May/June 2023

1 hour 30 minutes

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.
- International accounting terms and formats should be used as appropriate.
- You should show your workings.

## INFORMATION

- The total mark for this paper is 75.
- 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 **12** pages. Any blank pages are indicated.

**1 Read Source A in the insert.**

(a) Calculate the partnership’s profit for the year ended 31 March 2022.

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..... [2]

(b) Prepare the partners’ capital accounts on **page 3** to show the closing entries. Use the space provided for workings to show your workings.

Capital Accounts

	Alan \$	Betty \$		Alan \$	Betty \$

Workings:

[10]





**2 Read Source B in the insert.**

**(a)** State **two** comparisons which a business may make by using ratios to assess its performance.

1 .....

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2 .....

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[2]

**(b)** Calculate:

**(i)** net assets at 31 December 2022

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..... [2]

**(ii)** retained earnings at 31 December 2022

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..... [2]

(iii) retained earnings at 1 January 2022.

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[6]

(c) Calculate the following at 31 December 2022:

(i) working capital cycle (round **each** component up to the next whole day)

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Workings:

[6]

[Turn over

(ii) gearing ratio (to **two** decimal places).

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..... [2]

**Additional information**

B plc, a major competitor, has a working capital cycle which is 5 days shorter than that of Z plc.

(d) Advise the directors of Z plc whether or not they should be concerned about the company's working capital cycle. Justify your answer.

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..... [5]

[Total: 25]







**Additional information**

The financial statements of W Limited for the year ended 31 December 2022 are ready to be audited.

**(d)** Explain the importance of a true and fair view opinion in the auditor's report.

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..... [3]

[Total: 25]

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