



CANDIDATE
NAME

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CENTRE
NUMBER

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CANDIDATE
NUMBER

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9706/41

May/June 2024

1 hour

You must answer on the question paper.

You will need: Insert (enclosed)

- 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.
- You should present all accounting statements in good style.
- You should show your workings.

- The total mark for this paper is 50.
- 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 8 pages.

1 Read Source A in the insert.

(a) Calculate the selling price of **one unit** of Product A.

[6]

- (c) Calculate the **change** in selling price of **one unit** of Product A which would arise if option 2 was implemented.

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..... [5]

- (d)** Advise the directors whether or not they should implement either option 1 or option 2. Justify your answer.

..... [7]

- (e) Suggest **two** reasons why the directors had chosen to use activity based costing (ABC) rather than traditional costing methods in setting the selling prices.

1

2

[2]

[Total: 25]

2 Read Source B in the insert.

(a) Calculate:

(i) the actual unit selling price

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..... [2]

(ii) the unit selling price which would have given the same actual total contribution in April 2024 as the standard total contribution for the month

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..... [3]

(iii) the actual total quantity of direct materials used (in kilos)

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..... [3]

(iv) the actual price paid per kilo of direct material

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..... [2]

(v) the actual hours used by direct labour per unit.

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..... [3]

(b) Name the budget which P Limited would have prepared if actual sales units had been more or less than the budgeted 11 000 units.

..... [1]

(c) Suggest **four** reasons why the company uses standard costs.

1

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2

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3

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4

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[4]

(d) Advise the directors whether or not they should use spreadsheets in the preparation of the company's budgets. Justify your answer.

..... [7]

[Total: 25]

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