



Cambridge International AS & A Level

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ACCOUNTING

9706/33

Paper 3 Financial Accounting

May/June 2025

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 **16** pages. Any blank pages are indicated.



1 Read Source A in the insert.

- (a) Explain why the club adopts the policy of spreading life membership fees over ten years equally.

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..... [3]

- (b) Calculate the profit/loss from operating the vending machine for the year ended 31 December 2024.

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..... [4]



[9]

[4]



[Total: 25]

(a) Prepare the statement of changes in equity for the year ended 31 December 2024. A total column **is** required.

..... [5]

(b) Calculate, to **two** decimal places, the return on capital employed for the year 2024.

[2]



[2]

[4]



Additional information

The 2023 interim dividend was \$0.05 per share. TN plc had a dividend cover of 1.8 times in 2023. In considering the proposed 2024 final dividend, the directors suggest that the dividend cover for 2024 should be increased to 2 times.

(d) (i) Calculate the proposed 2024 final dividend per share.

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..... [3]

(ii) Explain why the directors want to increase the dividend cover for 2024.

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The market price of one share of TN plc at 31 December was as follows:

2024	2023
\$4.65	\$3.72

- (e) Comment on the company's 2024 price/earnings (PE) ratio as compared to the company's PE ratio in 2023. Support your answer with calculations.

[5]

[Total: 25]

[Turn over

- 1
- 2
- 3
- 4

[4]

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[5]



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Workings:



(d) Advise the directors whether or not they should carry out their plan. Justify your answer.

[5]

[Total: 25]





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