



Cambridge International AS & A Level

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ACCOUNTING

9706/33

Paper 3 Financial Accounting

May/June 2026

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. Do **not** use correction fluid or tape.
- 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.



[11]

[11]



(b) Prepare the statement of profit or loss for the year ended 31 March 2026.

[6]



- (c) Explain, with reference to an accounting concept, the treatment of unrealised profit included in the statement of financial position at 31 March 2026.

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..... [3]





..... [5]

[Total: 25]

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

(a) (i) State the formula of the non-current asset turnover ratio.

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..... [1]

(ii) Explain the usefulness of the non-current asset turnover ratio.

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..... [2]

(b) Calculate the total net assets at 31 March 2026.

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..... [4]

(c) Calculate the retained earnings at 31 March 2026.

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..... [2]



(d) Calculate, to **two** decimal places, the following ratios:

(i) earnings per share at 31 March 2026

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..... [3]

(ii) price/earnings at 31 March 2026

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..... [1]

(iii) return on capital employed for the year ended 31 March 2026.

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..... [3]

(e) Calculate, to **two** decimal places, the gearing ratio at 31 March 2025 and 31 March 2026.

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..... [4]





Additional information

X plc plans to invest \$150 000 in a project which lasts for three years. The expected return on capital employed of the project is 15%. The directors are considering negotiating another bank loan at the current interest rate of 8% per annum to finance this project.

- (f) Advise the directors whether or not they should finance the project by another bank loan. Justify your answer.

[5]

[Total: 25]





3 Read **Source C** in the insert.

(a) State **three** fundamental principles of ethics for accountants.

1

2

3

[3]

(b) Explain how issue 2 and issue 3 should be accounted for. Support your answer with reference to the relevant International Accounting Standards (IAS) and provide calculations, where appropriate.

(i) issue 2

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[4]

(ii) issue 3

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[4]





- (c)** Prepare the revised statement of financial position at 31 December 2025, after considering issues 1 to 4.

This image shows a full page of white paper with horizontal dashed lines, typical of primary school writing paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Workings:

[14]

[Total: 25]





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