



Cambridge International AS & A Level

CANDIDATE
NAME
CENTRE
NUMBER

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CANDIDATE
NUMBER

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ACCOUNTING

9706/42

Paper 4 Cost and Management Accounting

October/November 2024

1 hour

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

INFORMATION

- 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. Any blank pages are indicated.



[3]

(e) Explain the likely reasons for the favourable direct labour variance of \$1980 with reference to the analysis of its two sub-variances.

[4]

..... [7]

[Total: 25]

* 0000800000005 *



5

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..... [6]



Additional information

The directors are preparing the cash budget for Year 4. They have two options available for an amount of \$80 000.

- Option 1 Continue to manufacture Product A for two more years by launching a promotional campaign. (Despite the machine being fully depreciated, it can continue to be used for two more years.)
- Option 2 Start designing a new product, Product B, to be launched in Year 5.

(c) Advise the directors which option they should choose. Justify your answer.

..... [7]

[Total: 25]

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