



# Cambridge International AS & A Level

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## ACCOUNTING

9706/43

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.

..... [2]

This image shows a single sheet of white paper with horizontal ruling lines. 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:





### Additional information

Mo wishes to have a cash balance of \$80 000 at 31 March 2025.

- (c)** Calculate the total amount of capital that Mo has to invest on 1 January 2025.

..... [2]

### Additional information

Mo is optimistic about his business. He estimates that the sales will increase by 20% every month in the first year. He also plans to form a limited company in 2026 and is considering preparing a master budget every year.

- (d)** Advise Mo whether or not he should prepare a master budget every year. Justify your answer.

[7]

[Total: 25]





2 Read Source B in the insert.

- (a) Calculate, to **two** decimal places, the **unit** selling price for **each** product using traditional absorption costing.

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Workings:

[5]





**Additional information**

The management accountant has suggested using activity based costing (ABC).

**(b)** State **two** advantages and **two** disadvantages of ABC.

Advantages

1 .....

.....

2 .....

.....

Disadvantages

1 .....

.....

2 .....

.....

[4]

**(c)** Calculate, to **two** decimal places, the total cost per **unit** for **each** product using ABC.

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Workings:

[5]





- ..... [2]

- ..... [2]

(e) Advise the directors whether or not they should set the selling prices in this way. Justify your answer.

[7]



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