## MARK SCHEME for the May/June 2011 question paper

## for the guidance of teachers

## 9706 ACCOUNTING

9706/43

Paper 4 (Problem Solving (Supplement)), maximum raw mark 120

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes must be read in conjunction with the question papers and the report on the examination.

• Cambridge will not enter into discussions or correspondence in connection with these mark schemes.

Cambridge is publishing the mark schemes for the May/June 2011 question papers for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.



	Page 2			Scheme:	Syllabus 9706	Pape	r				
			GCE	43							
1	(a)	Premises Other no Current Current Convertil	<b>rent assets</b> s n-current assets	)11	nancial 3000	\$000   610	\$000	2 4 1	2011 530 <b>(1)</b> – 5 <b>(1)</b> 2 012 <b>(1)</b> – 270 <b>(1)</b> – 112 <b>(1)</b> I for position	+ 20(1)	
		Debentur Equity Ordinary Share pr Revaluat Capital re General Retained	shares emium ion reserve edemption reser reserve I earnings I d other payable 0 + 170 + 117 –	S	65 – 1 6 <b>1</b>	•	965 3 140 2 940 2 940 1 050 850 280 100 130 530 2 940 45) of	2 2 2 2 1	1 000 + 50 = 1050 750 + 100 = 850	0	
			l earnings 0 + 170 – 50 – 9 <b>1 1 1</b>	95 = 530 <b>1of</b>							[32]
	(b)	CRR General	ion reserve		reserve	-					[5]
	(c)	convert	e market value c ise when market		_			_	iven in their optio	n to 2 1	[3] [40]

GCE A LEVEL – May/June 2011         9706         43           2         (a)         Capital accounts P         P         R         P         R           S         \$         \$         \$         \$         \$         \$         \$           Goodwill         15 000         1         0000         1         Balance b/d         150 000         90 000         1*           Balance c/d         182 500         127 500         Premises         35 000         137 500         1*           Balance b/d         182 500         127 500         137 500         Balance b/d         182 500         127 500         1of [6]           (b) Net profit         (26 350 + 6 550) - (8 500 - 2 100) + (21 000 + 18 500) = 66 000         1         1         1         1         [4]           (c)         6         months         6         months         6         months           ko 30 June         to 31 Dec         \$         33 000         1of 1         1200         1           (c)         6         months         6         months         6         months           ko 30 June         to 31 Dec         \$         33 3000         137 500         1         1         160	Page 3		ge 3	Mark Scheme: Teachers' version							ous	Paper	
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1       1 <th1< th=""> <th1< th=""> <th1< th=""></th1<></th1<></th1<>		(b)	Net profi	t = (26.350 + 6.5	50)	- (8 500 -	-21	00) + (21 0	00 + 18	8 500) = 66 000			
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Balance b/d       8 500       (2 100) 1*         Drawings       (21 000)       (18 500) 1*         IOD       (2 520)       (2 220) 1*         Salaries       17 000 1of       11 000 1of         IOC       16 625 1of       10 875 1of         Share of profit       7 590 1of       7 650 1of         Balance c/d       26 195 1of       6 705 1of         (e) Years of inflation had made their salaries unrealistic.       Change in balance of workload between partners		(d)	Current a	accounts		Poppy \$							
Drawings       (21 000)       (18 500) 1*         IOD       (2 520)       (2 220) 1*         Salaries       17 000 1of       11 000 1of         IOC       16 625 1of       10 875 1of         Share of profit       7 590 1of       7 650 1of         Balance c/d       26 195 1of       6 705 1of         (e) Years of inflation had made their salaries unrealistic.       Change in balance of workload between partners			Bala	nce b/d		-			1*				
Salaries       17 000 1of       11 000 1of         IOC       16 625 1of       10 875 1of         Share of profit       7 590 1of       7 650 1of         Balance c/d       26 195 1of       6 705 1of         (e) Years of inflation had made their salaries unrealistic.       Change in balance of workload between partners				vings		· /							
IOC       16 625       1of       10 875       1of         Share of profit       7 590       1of       7 650       1of         Balance c/d       26 195       1of       6 705       1of       [11]         (e) Years of inflation had made their salaries unrealistic. Change in balance of workload between partners       Image: Change in balance of workload between partners       Image: Change in balance of workload between partners						· · · ·							
Share of profit       7 590       1 of       7 650       1 of         Balance c/d       26 195       1 of       6 705       1 of       [11]         (e) Years of inflation had made their salaries unrealistic. Change in balance of workload between partners       Image: Change in balance of workload between partners				ries									
Balance c/d       26 195 1of       6 705 1of       [11]         (e) Years of inflation had made their salaries unrealistic. Change in balance of workload between partners				re of profit									
Change in balance of workload between partners				•									[11]
Change in balance of workload between partners													
	(e)	Yea	ars of infla	tion had made th	neir	salaries u	nrea	listic.					
Other reasonable answer 1 × 2 [2]		Change in balance of workload between partners											
		Oth	er reason	able answer					1×2				[2]
NB 1* means one mark for both [40]		NB	1* means	one mark for bo	oth								[40]

	Page 4			Mark Scheme: Teachers' version GCE A LEVEL – May/June 2011						Syllabus			Paper		
										9	706		43		
3	(a)	Produ	ction budge	t Jul	Aug		Sep		Oct		Nov		Dec		
		Produ Sales	ng inventor ction (units)	y 100 950 <b>1</b> – <u>800</u>	250 1 050 – <u>1 050</u>		250 1 350 – <u>1 400</u>	1	200 1 100 - <u>1 100</u>	1	200 850 – <u>950</u>	1	100 850 – <u>850</u>		
	(b)		g inventory		250		_200		200		<u>100</u>		<u>100</u>	[6]	
	(b)		naterials pu	Jul	Aug		Sep		Oct 1,		Nov		Dec		
		Price/ł No of	kgs	950 4 2	1 050 4 2		1 350 4.5 2		100 4.5 2		850 4.5 2		850 5 2		
		Cost ir \$		7 600 <b>1c</b>	of 8 400	1of	12 150	1of	9 900	1of	7 650	1of	8 500	1of [6]	
	(c)	\$76 00 <b>1</b>	00 + \$199 5 <b>1</b>	00 = \$27	5 500									[2]	
	(d)	Trade	receivables	S	ep \$		Oct \$		No \$	v		Dec \$	:		
		Openii Sales	ng balance	275 <u>266</u> 541	500 <b>1of</b> 000 <b>1</b>	<u>22</u>	5 750 <u>0 000</u> 5 750	I	353 0 <u>190 0</u> 543 0	<u>00</u> 1	<u>1</u>	00 00 <u>70 00</u> 70 00	<u>0</u> 1		
		Receip Discou	Month	n 1 95 n 2 76	760 <b>1</b> 000 <b>1</b> <u>990</u> <b>1</b>	12 9	7 680 9 750 5 320	1	105 6 133 0 <u>4 4</u>	00 <b>1</b> 00 <b>1</b>	9	91 20 10 00 3 80	0 <b>1</b> 0 <b>1</b>		
			g balance		<u>750</u> 1of		3 000		<u>300 0</u>		of <u>2</u>		<u>o</u> 1of	[21]	
	(e)	Bring f Contro Predic	lise busine ogether pla I of cost (si t shortages unicate tar												
		Forces management to consider the f					y three	× 1 n	nark					[3]	
	(f)	• •	epreciation crease in P	DD		1									
		P	an repaym urchase of i ny acceptat	non-curre		asset 1								[2]	
														[40]	