MARK SCHEME for the October/November 2009 question paper

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for the guidance of teachers

9706 ACCOUNTING

9706/42

Paper 42 (Problem Solving – Supplement), maximum raw mark 120

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UNIVERSITY of CAMBRIDGE International Examinations

Page 2		heme: Teachers		Syllabus	Paper
	GCE A/AS LE	VEL – October/N	lovember 2009	9706	42
1 (a)		Capital acco	ounts		
	А	В		А	В
Shares W2	72 000 (4)	48 000	Balances	70 000 (1)	50 000
Debentures	10 000 (1)	10 000	Profit on real'n W1	22 800 (3of)	15 200
Cash W3	<u>10 800</u> (3of)	<u>7 200</u>			
	<u>92 800</u>	<u>65 200</u>		<u>92 800</u>	<u>65 200</u>
					[12]
					[12]
W2 150 W3 10 0	(1) – 112 (1) = 22 (1) – 30 (1) = 72 0 00 + 8000 = 10 80 for both)	00 (1) and 48 00		accounts.	
(b)		Drakar			
		Balance sheet a	•		
Fixed as	eote	\$	\$ 830 0	00 (1)	
Goodwill				00 (1) 00 (3)	
Coodwin			917 0		
Current a	assets				
Stock		56 000 (1	1)		
Trade de	btors	85 000 (1	1)		
Bank bal	ance W2	<u>189 000</u> (5	5)		
•		<u>330 000</u>			
	s: amounts falling		-		
Trade cre		<u>(43 000)</u> (1		00	
Net curre	ent assets		<u></u>		
Craditora	o concunto folling	duc in more than	1 204 0	00	
	s: amounts falling (entures (2026)		-	<u>00</u> (1)	
Net asse	· · · ·		<u>140 0</u> 1 064 0		
	pital and reserves		1 004 0	<u></u>	
	shares of \$1 each		650.0	00 (4)	
-	emium W4	rially paid the		00 (3)	
	l earnings W5			<u>00</u> (3)	
Total equ	•		1 064 0		[23]
	-				
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W5 224 (1) - 30 (1) = 194 (1)

	Pa	ge 3	Mark Scheme:	Teache	rs' v	version		Syllabus	Paper
		0	GCE A/AS LEVEL – (2009	9706	42
	(c)	Does not	than public issue (0–3) dilute the power base of or identification plus up to			• • •	r devel	opment	[max. 5]
2	(a)	Operatine Adjustme Profit on Loss on Increase	ents for depreciation disposal of fixed assets disposal of fixed assets	\$000 156 341 (101) 5 (70) (80)	 (1) (6) (4) (1) (1) (1) (1) 	23 (1) +	110 (1	operating activities) + 58 (2) + 150 (* (1 each)	
	(b)	Cash flov	w statement for the year e			arch 2009	∋ (1)		[10]
							. ,		
		Net cash	g activities inflow from operating act			256	(1)		
		Interest p		ang or n	inan	(28)	(1)		
		Corporat	ion tax paid xpenditure and financial i	nvestme	ents	(50)	(1)		
		Payment	s to acquire tangible fixed	l assets		(800)	(4) (40	00) + (250) + (150) (1 each)
		•	from the sale of fixed ass vidends paid	sets		332	(3) 32	0 + 12 (1 each)	
			vidends paid during the ye	ear		<u>(32)</u>			
		Net cash Financing	outflow before financing			(322)	(1)		
		-	from issue of ordinary sh	ares				0 + 360 (1 each)	
			ent of debentures			<u>(100)</u>	• •		
		Increase	in cash			<u>238</u>	(2)		[19]
	(c)	Reconcil	iation of net cash to move	ment in	net	debt			
		Cash use Change i	in cash during year ed to repurchase debentu in net debt	res		238 <u>100</u> 338	(1) (1)		
			at 1 April 2008 at 31 March 2009			(<u>348)</u> (10)	• •		[5]
		ivel dept	at 31 Warth 2009			<u>(10)</u>	(1)		[5]

Direct 34 500 44 850 (2) W1 WIP 1 000	Page 4	Mark	Scheme:	Teach	ners' versi	on	Sylla	abus	Paper
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			• •		1) × 1000 (1) = 4 237			
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(d) process 2	\$6.25 (1of)	(271 125 / 43 375)		[1]	
	\$6.02 (1of)	(205 715 / 34 170)		[1]	

(e) Any suitable example.

[1]