



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
 General Certificate of Education  
 Advanced Subsidiary Level and Advanced Level

CANDIDATE  
 NAME

CENTRE  
 NUMBER

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CANDIDATE  
 NUMBER

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**ACCOUNTING**

**9706/02**

Paper 2 Structured Questions

**May/June 2007**

**1 hour 30 minutes**

Candidates answer on the Question Paper.  
 No Additional Materials are required.

**READ THESE INSTRUCTIONS FIRST**

Write your Centre number, candidate number and name on all the work you hand in.  
 Write in dark blue or black pen.  
 You may use a soft pencil for rough working.  
 Do not use staples, paper clips, highlighters, glue or correction fluid.  
**DO NOT WRITE IN ANY BARCODES.**

Answer **all** questions.  
 You may use a calculator.

At the end of the examination, fasten all your work securely together.  
 The number of marks is given in brackets [ ] at the end of each question or part question.

For Examiner's Use	
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>Total</b>	

This document consists of **11** printed pages and **1** blank page.



1 The following balances were extracted from Aurora's accounts at 31 March 2007.

	\$000
Sales	3 200
Purchases of raw materials	450
Purchases returns	18
Carriage inwards	10
Direct labour	400
Direct overheads	60
Rent	40
Electricity	30
Insurance	55
Factory supervision salaries	65
Office salaries	70
Indirect factory wages	13
Factory cleaning	50
Office cleaning	50
Stocks at 1 April 2006:	
Raw materials	110
Work in progress	55
Finished goods	80
Factory machinery at cost	640
Provision for depreciation on factory machinery	280

Additional information at 31 March 2007:

	\$000
Rent prepaid	5
Electricity accrued	15
Insurance prepaid	10
Stocks – Raw materials	140
Work in progress	75
Finished goods	170

Depreciation on factory machinery is to be provided at 25% per annum reducing balance.

Rent, electricity and insurance are apportioned on the basis of 80% to factory and 20% to office.

Finished goods are transferred to the trading account at total factory cost plus one third.



(b) Prepare Aurora's trading account for the year ended 31 March 2007.

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..... [6]

**[Total: 30]**











(f) From your calculations in (e) and the balance sheets given in the question discuss **briefly** Archie's financial status on 30 April 2007 compared to 30 April 2006.

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..... [3]

**[Total: 30]**





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