



# Cambridge International AS & A Level

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**ACCOUNTING**

**9706/33**

Paper 3 Financial Accounting

**October/November 2025**

INSERT

**1 hour 30 minutes**

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**INFORMATION**

- This insert contains all of the sources referred to in the questions.
- You may annotate this insert and use the blank spaces for planning. **Do not write your answers** on the insert.



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This document has **4** pages.

**Source A for Question 1**

Faizan owns a manufacturing business which accounts for factory profit.

In **2023**, the rate of factory profit applied by Faizan was 15%.

The following information is available about the year ended 31 December **2024**.

1 Opening inventories included:

	\$
Raw materials	1 200
Work in progress	4 300

2 Costs were:

	\$
Purchases of raw materials	57 900
Carriage inwards	2 300
Carriage outwards	4 400
Rent	18 000
Direct labour	23 400
Indirect labour	13 200
Other factory overheads	18 400
Other administrative expenses	30 180
Other distribution costs	21 830
Finance costs	6 100

3 Rent was allocated one-third to the factory and two-thirds to the office.

4 Closing inventories included:

	\$
Raw materials	2 000
Work in progress	4 700

5 The trading section of the statement of profit or loss was as follows:

	\$	\$
Revenue		269 000
Inventory of finished goods 1 January 2024	4 140	
Transfer price of manufactured goods	<u>144 000</u>	
	148 140	
Inventory of finished goods 31 December 2024	<u>(5 760)</u>	
Cost of sales		<u>142 380</u>
Gross profit		<u>126 620</u>

**Source B for Question 2**

Aimee and Benny had been in partnership for some years, sharing profits and losses equally after allowing for interest on capital at 10% per annum. Their year-end was 31 December.

On 1 July 2024, they admitted Sami as a partner. The non-current assets were revalued on this date. The rate of interest on capital was unchanged.

The capital accounts for the year ended 31 December 2024 were as follows:

	Aimee \$	Benny \$	Sami \$		Aimee \$	Benny \$	Sami \$
Goodwill	12 000	12 000	6 000	Balances b/d	60 000	40 000	
				Bank			50 000
				Goodwill	15 000	15 000	
Balances c/d	<u>76 000</u>	<u>56 000</u>	<u>44 000</u>	Revaluation	<u>13 000</u>	<u>13 000</u>	
	<u>88 000</u>	<u>68 000</u>	<u>50 000</u>		<u>88 000</u>	<u>68 000</u>	<u>50 000</u>

The following additional information was also available.

- Revenue for the year was \$366 000. Sales in terms of **units** were 20% higher in the last six months of the year. The selling price was \$75 per unit in the first six months and \$90 in the last six months.
- Purchase prices had increased on 1 July 2024, but the partnership achieved a uniform mark-up of 50% throughout the year.
- A summary of the wages and salaries account showed the following:

2024		\$	2024		\$
Jan–June	Bank	16 600	Jan 1	Balance b/d	900
July–Dec	Bank	17 100	Dec 31	Statement of profit or loss	33 500
Dec 31	Balance c/d	<u>700</u>			
		<u>34 400</u>			<u>34 400</u>

Accrued wages at 1 July 2024 amounted to \$400.

- Rent was \$1000 per month until 30 April 2024. It then increased to \$1100 per month.
- All non-current assets were depreciated at the rate of 10% per annum using the straight-line method. The cost of non-current assets at 1 January 2024 was \$84 000 and the accumulated depreciation was \$13 800.
- Other expenses were incurred evenly across the year.
- Total expenses for the year amounted to \$85 100.

**Source C for Question 3**

H plc is a trading company. The following information is available.

1 The statement of financial position at 31 December 2024 included the following:

	\$
Ordinary share capital (\$1 shares)	200 000
Share premium	40 000
Retained earnings	75 200
General reserve	20 000
8% debentures (2032)	300 000

2 The retained earnings column of the statement of changes in equity was as follows:

	\$
Balance at 1 January 2024	47 200
Profit for the year	60 000
Dividend paid	(12 000)
Transfer to general reserve	(20 000)
Balance at 31 December 2024	<u>75 200</u>

3 The company does **not** trade with a bank overdraft.

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