

Please write clearly in block capitals.

Centre number

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Candidate number

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Surname

Forename(s)

Candidate signature

I declare this is my own work.

INTERNATIONAL AS ACCOUNTING

Paper 2 Financial and Management Accounting

Tuesday 13 May 2025

07:00 GMT

Time allowed: 2 hours

Materials

For this paper you must have:

- a calculator.

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- Do all rough work in this answer book. Cross through any work you do not want to be marked.

Information

- The marks for each question are shown in brackets.
- The maximum mark for this paper is 80.

For Examiner's Use	
Section	Mark
A	
B	
C	
TOTAL	

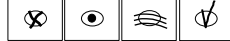


Section AAnswer **all** questions in this section.For multiple-choice questions only **one** answer per question is allowed.

For each question completely fill in the circle alongside the appropriate answer.

CORRECT METHOD 

WRONG METHODS



If you want to change your answer you must cross out your original answer as shown.



If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown.

**0 1**

Which of the following is shown in the income statement of a service business?

[1 mark]**A** Closing inventory☐**B** Opening inventory☐**C** Purchases☐**D** Revenue☐**0 2**

What is the formula to calculate contribution?

[1 mark]**A** Selling price – fixed costs☐**B** Selling price + fixed costs☐**C** Selling price – variable costs☐**D** Selling price + variable costs☐

0 3

A business purchases a motor vehicle for use in the business, paying by bank transfer.

What is the double entry to record this transaction?

[1 mark]

	Debit	Credit	
A	Bank account	Motor vehicles at cost	☐
B	Bank account	Purchases	☐
C	Motor vehicles at cost	Bank account	☐
D	Purchases	Bank account	☐

0 4

Which of the following is **not** a benefit of budgeting?

[1 mark]

- A Assists with planning and control ☐
- B Helps management with decision making ☐
- C Motivates staff with use of targets ☐
- D Provides information for external stakeholders ☐

0 5

Which of the following sources of finance does **not** require repayment?

[1 mark]

- A Bank loan ☐
- B Bank overdraft ☐
- C Debentures ☐
- D Ordinary shares ☐

Turn over ►



0 6

What is the formula to calculate return on capital employed?

[1 mark]

A $\frac{\text{Equity} + \text{current liabilities}}{\text{Profit from operations}} \times 100$ ☐

B $\frac{\text{Equity} + \text{non-current liabilities}}{\text{Profit from operations}} \times 100$ ☐

C $\frac{\text{Profit from operations}}{\text{Equity} + \text{current liabilities}} \times 100$ ☐

D $\frac{\text{Profit from operations}}{\text{Equity} + \text{non-current liabilities}} \times 100$ ☐

0 7

A company sells a product for \$20 per unit.
The variable costs are \$12 per unit and the fixed costs are \$120 000.

What is the break-even point in units?

[1 mark]

A 3 750 units ☐

B 6 000 units ☐

C 10 000 units ☐

D 15 000 units ☐

0 8

Which of the following are shown in a company's income statement?

[1 mark]

A Dividends paid; finance costs; profit from operations ☐

B Dividends paid; finance costs; tax ☐

C Finance costs; profit from operations; share premium ☐

D Finance costs; profit from operations; tax ☐



0 9

What is the double entry to record the part-exchange value of a machine?

[1 mark]

	Debit	Credit	
A	Bank account	Disposal account	☐
B	Disposal account	Bank account	☐
C	Disposal account	Machinery at cost	☐
D	Machinery at cost	Disposal account	☐

1 0

A business has trade receivables of \$72 000 and trade receivable days of 40 days.

What are the credit sales?

[1 mark]

- A** \$657 000 ☐
- B** \$720 000 ☐
- C** \$864 000 ☐
- D** \$876 000 ☐

Turn over for the next question**Turn over ►**

1 1

Ivan manufactures one product and operates a system of marginal costing.

The following budgeted data is available for **one** unit of product:

	\$
Selling price	16
Fixed costs	5
Variable costs	7

The budgeted costs are based on planned production and sales of 10 000 units.

Calculate the number of units Ivan will need to sell to achieve a target profit of \$35 000.

[4 marks]



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ANSWER IN THE SPACES PROVIDED**

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0 7

1 2

The directors of Nyian Ltd are finalising the company's accounts for the year ended 31 December 2024.

An extract from the statement of financial position at 31 December 2023 is shown below.

Nyian Ltd
Statement of financial position (extract) at 31 December 2023

Non-current assets	Cost \$	Accumulated depreciation \$	Carrying value \$
Motor vehicles	60 000	33 000	27 000
Fixtures and fittings	15 000	9 000	<u>6 000</u>
			33 000

Additional information

1. During 2024, a motor vehicle was sold. This vehicle had originally cost \$20 000 and had a carrying value of \$9 800.
2. During 2024, a new motor vehicle was purchased costing \$36 000.
3. Motor vehicles are depreciated using the reducing balance method at a rate of 30% per annum.
4. Fixtures and fittings are depreciated using the straight line method at 20% per annum.
5. A full year's depreciation is charged in the year of purchase and **none** in the year of disposal.

1 2

Complete the statement of financial position (extract) at 31 December 2024 showing the non-current assets section **only**.

[9 marks]

Nyian Ltd
Statement of financial position (extract) at 31 December 2024

Non-current assets	Cost \$	Accumulated depreciation \$	Carrying value \$
Motor vehicles			
Fixtures and fittings			



[illegible]

23

Section BAnswer **all** questions in this section.**1 3**

Droxton buys and sells one product and is preparing the budgeted income statement for the year ending 31 March 2026. The actual results for the year ended 31 March 2025 will be used as the basis for the budget.

Droxton
Actual results for the year ended 31 March 2025

	Units	Total \$
Sales revenue	100 000	7 500 000
Opening inventory	7 900	266 625
Purchases	100 400	3 765 000
Closing inventory	8 300	311 250
Wages		875 000
Other expenses		658 300
Carriage outwards (\$2.25 per unit)		225 000

On 1 April 2025:

- the selling price of each unit will decrease by 10%. This is expected to increase the volume of sales by 20%
- the purchase price of each unit will increase by 12%
- wages will increase by 2.5%
- other expenses are expected to remain the same
- the unit price of carriage outwards will decrease by 20%.

Additional information

1. At 31 March 2026, the inventory is expected to be 9 960 units. Inventory is to be valued at the latest cost.
2. Non-current assets, costing \$480 000, are to be depreciated at a rate of 20% per annum using the straight line method.



[15 marks]

[illegible]

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Workings



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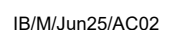


Thandy Ltd manufactures baking tins in three sizes: small, medium and large. Demand has recently increased due to the popularity of cooking shows on TV. The following information is available for the three sizes of baking tin:

	Small	Medium	Large
	\$	\$	\$
Selling price per unit	23	30	42
Direct materials cost per unit (\$10 per kg)	2	3	4
Direct labour cost per unit (\$12 per hour)	9	18	24

1	4	.	1
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[7 marks]

[illegible]

[illegible]

Calculate the maximum profit that can be made using the 32 000 labour hours available.

[illegible]

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1 5

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The directors of Leonist Ltd have provided the following information.

At 1 May 2024	\$
Share capital	150 000
Share premium	30 000
Retained earnings	124 020
8% debenture repayable 2035	75 000

The following events occurred during the year ended 30 April 2025:

14 August 2024	A final dividend of \$0.07 per share for the previous year was paid on all shares in issue at 1 May 2024.
30 November 2024	250 000 new shares were issued at a total price of \$0.90 per share. The issue was fully subscribed.
22 January 2025	An interim dividend of \$0.02 per share for the current year was paid on all shares in issue at 31 December 2024.

Additional information

- Each share has a nominal value of \$0.50.
- The profit from operations for the year ended 30 April 2025 was \$87 850.
- The debenture was issued in 2021 and interest is payable at the rate of 8% per annum.
- The taxation charge for the year was \$16 370.



[9 marks]

[illegible]

Workings

Question 15 continues on the next page

Turn over ►



[6 marks]

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45



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ANSWER IN THE SPACES PROVIDED**

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Answer the question in this section.

If Pau meets the delivery times, the customer may place future orders of around 2 500 units per annum.

[12 marks]

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[illegible]

[illegible]

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12



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[illegible]