



Cambridge International AS & A Level

CANDIDATE
NAME

CENTRE
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ACCOUNTING

9706/04

Paper 4 Cost and Management Accounting

For examination from 2023

SPECIMEN PAPER

1 hour

You must answer on the question paper.

You will need: Insert (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use an HB pencil for any diagrams, graphs or rough working.
- You may use a calculator.
- You should present all accounting statements in good style.
- You should show your workings.

INFORMATION

- The total mark for this paper is 50.
- The number of marks for each question or part question is shown in brackets [].
- The insert contains all of the sources referred to in the questions.

This document has **10** pages. Any blank pages are indicated.

1 Read Source A in the Insert.

(a) State **three** advantages of using a budgetary control system.

1

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2

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3

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[3]

(b) Prepare a statement to show the total flexible budgeted profit.

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[4]

Additional information

Actual costs incurred for May were as follows:

	\$	
Direct materials	27 300	2184 kilos used
Direct labour	67 466	4424 labour hours used
Fixed overheads	<u>29 500</u>	
Total costs	<u>124 266</u>	

(c) Calculate the following variances:

(i) direct labour rate

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..... [2]

(ii) direct labour efficiency

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..... [2]

(iii) fixed overheads expenditure

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..... [2]

(iv) fixed overheads volume.

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..... [2]

2 Read Source B in the Insert.

(a) Calculate:

(i) the payback period in years and days

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..... [2]

(ii) the accounting rate of return to **two** decimal places

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..... [3]

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