Cambridge Assessment International Education

Cambridge International AS & A Level

ACCOUNTING **9706/41**

Paper 4 Cost and Management Accounting **May/June 2024**

INSERT **1 hour**

9205818265-I

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.

DC (SL) 341339
© UCLES 2024

Source A for Question 1

WJ plc uses activity based costing (ABC). It calculates selling prices by adding a mark-up of 50% to the total of budgeted direct costs and overheads of each product.

The following information is available.

1 Each year the company manufactures and sells 200 units of Product A and 480 units of Product B.

2 Information about the budgeted direct costs of **Product A** is as follows:

direct materials	cost $28 000 per annum, using 7 kilos per unit
direct labour	requires 9 hours per unit, paid at $11 per hour

3 Budgeted overheads per annum for **both** products are as follows:

	$	
quality inspections	12 000	180 inspections for Product A and 320 for Product B
order processing	18 000	240 orders for Product A and 120 for Product B
other overheads	37 400	apportioned on the basis of units produced

© UCLES 2024

Source B for Question 2

P Limited manufactures Product Exe and operates a system of standard costing.

Budgeted production and sales of Product Exe is 11 000 units per month. Its standard data per unit of Product Exe was as follows:

Selling price	$210
Direct materials	4 kilos at $7.60 per kilo
Direct labour	3 hours at $10.50 per hour

When the actual results for April 2024 were known the following variances were calculated.

sales price	$55 000 adverse
sales volume	nil
material price	$4 290 favourable
material usage	$8 360 favourable
labour rate	nil
labour efficiency	$57 750 adverse

© UCLES 2024

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.

© UCLES 2024