



# Cambridge International AS & A Level

CANDIDATE NAME							
CENTRE NUMBER				CANDIDA NUMBER	TE		

03645784

ACCOUNTING 9706/32

Paper 3 Financial Accounting

May/June 2025

1 hour 30 minutes

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.
- International accounting terms and formats should be used as appropriate.
- You should show your workings.

### **INFORMATION**

- The total mark for this paper is 75.
- 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.

#### 1 Read Source A in the insert

(a)

Prepare the manufacturing account for the year ended 31 December 2024.
[8]

* C	3
(b)	Prepare the statement of profit or loss for the year ended 31 December 2024.
	[7]

 0000004 *
Explain why unrealised pr

(c)	(i)	Explain why unrealised profit occurs in some manufacturing businesses.
		[2]
	(ii)	Explain why the provision for unrealised profit is accounted for in the statement of financial position.
		[3]
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# 2 Read Source B in the insert.

Workings:

(a)	State the conditions of recognising a provision in the financial statements in accordance with IAS 37.
	[3

6

**(b)** Prepare a statement to adjust the draft profit for the year ended 31 December 2024 after considering the information in matters 1 to 5. Use the space provided for workings to show your workings.

* 000080000007 *
[14]



(c)	
	A narrative is <b>not</b> required.
Add	ditional information
are	
are tho	ating to the goods GT plc sold in 2024. The outcome of the claim and the amount invostill uncertain. The directors suggest that no dividend for the year 2024 should be paid ough dividends had been paid every year in the past.  Advise the directors whether or not GT plc should pay the 2024 dividend. Justify your ans
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[Total: 25]



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.....[5]



# 3 Read Source C in the insert.

(i)	State <b>two</b> reasons why a business may have goodwill.  1
	2
	[2]
(ii)	State <b>one</b> reason why Chandra has to pay for the goodwill.
	[1]
Sta	te three reasons why a goodwill account is not maintained in the partnership's books.
1	
2	
3	
	[3]
Cal	culate the amount payable to Betty on 1 January 2025.
	Stat 1 2 3

|--|

(d)	Calculate the amount of cash introduced by Chandra on 1 January 2025.
	เลา

* 0000800000011 *	

1	1	

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