



# Cambridge International AS & A Level

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**ACCOUNTING**

**9706/31**

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**

TG plc had been in business for several years. It produces a variety of products. Selected ledger accounts for the year ended 31 December 2024 were as follows:

## Research and development (summarised)

2024		\$	2024		\$
Dec 31	Bank	96 200	Dec 31	Statement of profit or loss	57 100
				Balance c/d	<u>39 100</u>
		<u>96 200</u>			<u>96 200</u>

## Retained earnings

2024		\$	2024		\$
June 30	Ordinary share capital	50 000	Jan 1	Balance b/d	104 500
Dec 31	Statement of profit or loss	12 200			
	Balance c/d	<u>42 300</u>			
		<u>104 500</u>			<u>104 500</u>

**Source B for Question 2**

The DW Club is a sports club. Its members pay an annual subscription of \$50.

On 1 January 2022, it introduced a life membership scheme with a one-off fee of \$400.

Summarised ledger accounts for the years ended 31 December 2022 and 2023 showed the following:

## Annual subscriptions

2022		\$	2022		\$
Jan 1	Balance b/d	200	Jan 1–Dec 31	Bank	19 550
Dec 31	Income and expenditure	19 850	Dec 31	Balance c/d	500
		<u>20 050</u>			<u>20 050</u>
2023			2023		
Jan 1	Balance b/d	500	Jan 1–Dec 31	Bank	19 700
Dec 31	Income and expenditure	19 300	Dec 31	Balance c/d	100
		<u>19 800</u>			<u>19 800</u>

## Life membership fees

2022		\$	2022		\$
Dec 31	Income and expenditure	40	Jan 12	Bank	400
	Balance c/d	360			
		<u>400</u>			<u>400</u>
2023			2023		
Dec 31	Income and expenditure	200	Jan 1	Balance b/d	360
	Balance c/d	1 760	Jan 1–Dec 31	Bank	1 600
		<u>1 960</u>			<u>1 960</u>

**Source C for Question 3**

PI plc prepares a statement of cash flows in accordance with IAS 7 each year. It provided the following information.

	at 31 August 2025	at 31 August 2024
	\$	\$
Retained earnings	64 000	92 000
General reserve	80 000	50 000
Debenture interest owing	6 000	3 000

Debenture interest paid during the year was \$12 000, and interest on the bank overdraft was \$2 000. **No** dividends were paid.

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