

**ADVANCED SUBSIDIARY GCE
ACCOUNTING**

F012

Unit F012: Accounting Applications

Candidates answer on the Question Paper

OCR Supplied Materials

- Resource Booklet

Other Materials Required:

- Calculator

Duration: 2 hours

Candidate Forename		Candidate Surname	
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Centre Number						Candidate Number				
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INSTRUCTIONS TO CANDIDATES

- Answer **all** the questions.

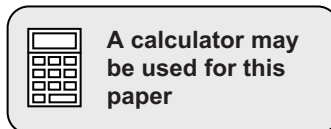
INFORMATION FOR CANDIDATES

- The number of marks for each question is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **120**.
- This document consists of **16** pages. Any blank pages are indicated.
- *In these two questions/sub-questions, you will be assessed on the quality of your written communication. In one of these questions, the focus will be on your ability to present numerical information legibly and in an appropriate accounting format. In the other, you will be assessed on the legibility and style of writing, the clarity and coherence of your arguments and the accuracy of your spelling, punctuation and grammar.

ADVICE TO CANDIDATES

- Read each question carefully and make sure you know what you have to do before starting your answer.

Examiner's Use Only:	
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(b) (i) The Current Accounts for Almond and Barley as at 31 December 2006.

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(ii) The Capital Accounts for Almond, Barley and Cherry as at 1 January 2007.

SPECIMEN



(c) Explain why partnerships generally write off goodwill through the capital account rather than record it on the balance sheet.

[4]

Total Marks [29]

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2 REQUIRED

(a)* The Trading and Profit and Loss Account for Peter Green for the year ended 31 December 2006 and the Balance Sheet as at that date.

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3 REQUIRED

(a) Calculate the following ratios for Stone and Rye:

(i) gross profit as a percentage of sales;

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..... [2]

(ii) net profit as a percentage of sales;

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..... [2]

(iii) return on capital employed (based on closing capital);

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..... [2]

(iv) current ratio;

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..... [2]

(v) liquid (acid test) ratio;

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..... [2]

(vi) stock turnover.

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(c) Advise the managements of **both** Stone and Rye on the actions they should now take to improve liquidity and profitability.

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[8]

Total Marks [30]

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