Centre No.		Paper	Reference			Surname	Ini	tial(s)
Candidate		6 1 2	3 /	0	1	Signature		
	Paper Reference(s) 6123/01		•	•	•		Examiner's	use only
	Edex	cel GC	E				Team Leader	s use only
	Busines	s Studies	(807	6)				
		Financial M ed Subsidia	_	me	nt		Quest	
	Monday 4	Monday 4 June 2007 – Afternoon					$\frac{1}{2}$	+
	Time: 1 h						2	
	<u>Materials requir</u> Nil	ed for examination	Items in	cluded	l with	question papers		

Instructions to Candidates

In the boxes above, write your centre number, candidate number, the paper reference, your surname and initials, and your signature. The paper reference is shown above. If more than one paper reference is shown, you should write the reference of the paper for which you have been entered. Check that you have the correct question paper.

Answer ALL questions. Write your answers in the spaces provided in this question paper. Show all the steps in any calculations and state the units.

Do not return the context with the question paper.

Information for Candidates

The marks for individual questions and the parts of questions are shown in round brackets: e.g. (2).

There are 2 questions in this question paper. The total mark for this paper is 63.

There are 8 pages in this question paper. Any blank pages are indicated.

There are up to 3 marks for the quality of written communication.

Calculators may be used.

Dictionaries may **not** be used in this examination.

Advice to Candidates

You must ensure that your answers to parts of the questions are clearly numbered.

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M26008A
W850/6123/57570 5/5/5/5/2/



Turn over

Total



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Leave blank

Answer ALL questions

1. (a)	Using examples that would apply to Mac's Models Ltd (Appendix 2), describe what is meant by each of the following:
	fixed assetscurrent liabilities.
	(4)
(b)	Calculate for Mac's Models Ltd:
	ONE profitability ratioONE liquidity ratio.



Leave blank (c) Analyse the importance of the results of your calculations in 1(b) to Mac's Models **(8)**



3

Turn over

	L b
	 (14)
(Total 30 mar	



Turn over

5

Leave blank

a)	Define the term budgeting .	
u)	Define the term budgeting.	
	(2)	()
1 \		
b)	Evaluate the likely importance of budgeting to Mac's Models Ltd.	
		•
		_
		•

	••••••
	(14)
alue of the delivery van is expected to depreciate by £2 000 per	vear
) Define the straight line method of depreciation.	
	(1)
Using the straight line method, calculate the number of years residual value of the van to reach zero.	
Using the straight line method, calculate the number of years residual value of the van to reach zero.	
Using the straight line method, calculate the number of years residual value of the van to reach zero.	
i) Using the straight line method, calculate the number of years residual value of the van to reach zero.	
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purpose of depreciating the value	ducing balance method is more appropriate for the e of the van.
purpose of depreciating the variation	of the van.
	(10)
	(Total 30 marks)
	Quality of Written Communication: 3 marks TOTAL FOR PAPER: 63 MARKS
	END