



**ADVANCED GCE
BUSINESS STUDIES**
Accounting

F294



Candidates answer on the Question Paper

OCR Supplied Materials:

- Resource Booklet

Other Materials Required:

- Graph paper may be needed
- Calculators may be used

Friday 11 June 2010

Afternoon

Duration: 2 hours



Candidate Forename					Candidate Surname				
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Centre Number						Candidate Number			
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INSTRUCTIONS TO CANDIDATES

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- The information required to answer questions 1–6 is contained within the Resource Booklet.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer **all** the questions.
- Do **not** write in the bar codes.
- Write your answer to each question in the space provided. Additional paper may be used if necessary but you must clearly show your Candidate Number, Centre Number and question number(s).

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **60**.
- The quality of your written communication will be taken into account when marking your answers to questions labelled with an asterisk (*).
- This document consists of **12** pages. Any blank pages are indicated.



A calculator may
be used for this
paper

Answer **all** questions.

- 1 Using Table 5, calculate each of the following variances.

(a) Cost of sales

Answer: [2]

(b) Profit

Answer: [2]

- 2* Discuss possible reasons why Lemon Meringue Ice did **not** achieve its forecasted profit for April.

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[13]

- 3 In 2008 The Real Ice Cream Company's (TRICC) fixed asset utilisation ratio was 1.83 times and in 2009 it was 2.10 times. Analyse **two** possible reasons for the change in TRICC's fixed asset utilisation.

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[6]

- 4 Analyse **two** possible implications of high dividend payments to shareholders of TRICC.

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[6]

- 5* Discuss how TRICC could fund the proposed expansion strategy.

- 6* Considering accounting **and other issues**, should TRICC go ahead with the proposed investment in plant and machinery? Justify your view.

[18]

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