

---

**ACCOUNTING**

**9706/22**

Paper 2 AS Level Structured Questions

**March 2018**

MARK SCHEME

Maximum Mark: 90

---

**Published**

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the March 2018 series for most Cambridge IGCSE<sup>®</sup>, Cambridge International A and AS Level components and some Cambridge O Level components.

**PUBLISHED****Generic Marking Principles**

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

**GENERIC MARKING PRINCIPLE 1:**

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

**GENERIC MARKING PRINCIPLE 2:**

Marks awarded are always **whole marks** (not half marks, or other fractions).

**GENERIC MARKING PRINCIPLE 3:**

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

**GENERIC MARKING PRINCIPLE 4:**

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

**GENERIC MARKING PRINCIPLE 5:**

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

**GENERIC MARKING PRINCIPLE 6:**

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

**PUBLISHED**

Question	Answer	Marks																												
1(a)	<p>They enable totals for trade payables and trade receivables to be quickly extracted <b>(1)</b> for the trial balance and financial statements <b>(1)</b></p> <p>They are kept in the general ledger separately from the ledgers themselves / segregation of duties <b>(1)</b> thereby reducing the risk of errors / fraud <b>(1)</b></p> <p>They improve the reliability of the ledgers <b>(1)</b> by identifying errors when ledger totals do not agree with the control account totals <b>(1)</b></p> <p>The control account may help to identify problems in a particular ledger <b>(1)</b> if a trial balance does not balance <b>(1)</b>.</p> <p><b>1 mark for stating + 1 mark for development</b>  <b>Any other suitable answers</b>  <b>Max 4 marks</b></p>	<b>4</b>																												
1(b)	<p style="text-align: center;">Delph Amended sales ledger control account</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">\$</td> <td></td> <td style="text-align: center;">\$</td> </tr> <tr> <td style="width: 30%;">Balance b/d</td> <td style="text-align: right;">21 555</td> <td style="width: 30%;">Discounts allowed</td> <td style="text-align: right;">870 <b>(1)</b></td> </tr> <tr> <td>Invoice omitted</td> <td style="text-align: right;">1 520 <b>(1)</b></td> <td>Balance c/d</td> <td style="text-align: right;">24 395</td> </tr> <tr> <td>Correction of SJ total</td> <td style="text-align: right;">1 470 <b>(1)</b></td> <td></td> <td></td> </tr> <tr> <td>Error in sales journal</td> <td style="text-align: right;">720 <b>(1)</b></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">25 265</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">25 265</td> </tr> <tr> <td>Balance b/d</td> <td style="text-align: right; border-top: 1px solid black;">24 395 <b>(1)OF</b></td> <td></td> <td></td> </tr> </table>		\$		\$	Balance b/d	21 555	Discounts allowed	870 <b>(1)</b>	Invoice omitted	1 520 <b>(1)</b>	Balance c/d	24 395	Correction of SJ total	1 470 <b>(1)</b>			Error in sales journal	720 <b>(1)</b>				25 265		25 265	Balance b/d	24 395 <b>(1)OF</b>			<b>5</b>
	\$		\$																											
Balance b/d	21 555	Discounts allowed	870 <b>(1)</b>																											
Invoice omitted	1 520 <b>(1)</b>	Balance c/d	24 395																											
Correction of SJ total	1 470 <b>(1)</b>																													
Error in sales journal	720 <b>(1)</b>																													
	25 265		25 265																											
Balance b/d	24 395 <b>(1)OF</b>																													

Question	Answer				Marks																																										
1(c)	<p style="text-align: center;">Delph Purchases ledger control account</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">\$</td> <td style="width: 10%;"></td> </tr> <tr> <td>Purchases returns</td> <td style="text-align: right;">6813</td> <td style="font-size: 2em;">}</td> <td>Purchases</td> <td style="text-align: right;">74 779</td> <td style="font-weight: bold;">(1)</td> </tr> <tr> <td>Discount received</td> <td style="text-align: right;">1764</td> <td style="font-size: 2em;">}</td> <td>Balance c/d</td> <td style="text-align: right;">384</td> <td></td> </tr> <tr> <td>Bank</td> <td style="text-align: right;">39826</td> <td style="font-size: 2em;">(1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Balance c/d</td> <td style="text-align: right;">26760</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; text-align: right;">75163</td> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">75163</td> <td></td> </tr> <tr> <td>Balance b/d</td> <td style="text-align: right;">384</td> <td style="font-weight: bold;">(1)</td> <td>Balance b/d</td> <td style="text-align: right;">26760</td> <td style="font-weight: bold;">(1)OF</td> </tr> </table>					\$			\$		Purchases returns	6813	}	Purchases	74 779	(1)	Discount received	1764	}	Balance c/d	384		Bank	39826	(1)				Balance c/d	26760						75163			75163		Balance b/d	384	(1)	Balance b/d	26760	(1)OF	<b>5</b>
	\$			\$																																											
Purchases returns	6813	}	Purchases	74 779	(1)																																										
Discount received	1764	}	Balance c/d	384																																											
Bank	39826	(1)																																													
Balance c/d	26760																																														
	75163			75163																																											
Balance b/d	384	(1)	Balance b/d	26760	(1)OF																																										

**PUBLISHED**

Question	Answer	Marks																																																																												
1(d)	<p style="text-align: center;">Delph Statement of financial position at 30 June 2017</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 15%; text-align: center;">\$ Cost</th> <th style="width: 15%; text-align: center;">\$ Accumulated depreciation</th> <th style="width: 10%; text-align: center;">\$ Net book value</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Assets</b></td> </tr> <tr> <td colspan="4">Non-current assets</td> </tr> <tr> <td>Motor vehicle</td> <td style="text-align: right; border-top: 1px solid black;">13560</td> <td style="text-align: right; border-top: 1px solid black;">3390</td> <td style="text-align: right; border-top: 1px solid black;">10170 (1)</td> </tr> <tr> <td colspan="4">Current assets</td> </tr> <tr> <td>Inventory</td> <td></td> <td></td> <td style="text-align: right;">3700</td> </tr> <tr> <td>Trade receivables</td> <td></td> <td></td> <td style="text-align: right;">24395 (1)OF</td> </tr> <tr> <td>Other receivables</td> <td></td> <td></td> <td style="text-align: right;">650 (1)</td> </tr> <tr> <td>Cash in hand</td> <td></td> <td></td> <td style="text-align: right;">360 (1)</td> </tr> <tr> <td>Total current assets</td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">29105</td> </tr> <tr> <td>Total assets</td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">39275</td> </tr> <tr> <td colspan="4"><b>Capital and Liabilities</b></td> </tr> <tr> <td colspan="4">Owner's capital</td> </tr> <tr> <td>Opening balance</td> <td></td> <td></td> <td style="text-align: right;">10500</td> </tr> <tr> <td>Add: Profit for the year</td> <td></td> <td></td> <td style="text-align: right;">9778 (1)OF</td> </tr> <tr> <td>Less: Drawings</td> <td></td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">(12625) (1)</td> </tr> <tr> <td>Total capital</td> <td></td> <td></td> <td style="text-align: right; border-bottom: 3px double black;">7653</td> </tr> <tr> <td colspan="4">Non-current liabilities</td> </tr> <tr> <td>Long-term loan (3000–500)</td> <td></td> <td></td> <td style="text-align: right;">2500 (1)</td> </tr> </tbody> </table>		\$ Cost	\$ Accumulated depreciation	\$ Net book value	<b>Assets</b>				Non-current assets				Motor vehicle	13560	3390	10170 (1)	Current assets				Inventory			3700	Trade receivables			24395 (1)OF	Other receivables			650 (1)	Cash in hand			360 (1)	Total current assets			29105	Total assets			39275	<b>Capital and Liabilities</b>				Owner's capital				Opening balance			10500	Add: Profit for the year			9778 (1)OF	Less: Drawings			(12625) (1)	Total capital			7653	Non-current liabilities				Long-term loan (3000–500)			2500 (1)	<b>9</b>
	\$ Cost	\$ Accumulated depreciation	\$ Net book value																																																																											
<b>Assets</b>																																																																														
Non-current assets																																																																														
Motor vehicle	13560	3390	10170 (1)																																																																											
Current assets																																																																														
Inventory			3700																																																																											
Trade receivables			24395 (1)OF																																																																											
Other receivables			650 (1)																																																																											
Cash in hand			360 (1)																																																																											
Total current assets			29105																																																																											
Total assets			39275																																																																											
<b>Capital and Liabilities</b>																																																																														
Owner's capital																																																																														
Opening balance			10500																																																																											
Add: Profit for the year			9778 (1)OF																																																																											
Less: Drawings			(12625) (1)																																																																											
Total capital			7653																																																																											
Non-current liabilities																																																																														
Long-term loan (3000–500)			2500 (1)																																																																											

**PUBLISHED**

<b>Question</b>	<b>Answer</b>	<b>Marks</b>																
1(d)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Current liabilities</td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td>    Trade payables</td> <td style="text-align: right;">26 376</td> <td rowspan="3" style="vertical-align: middle;">(1)OF } (1 for both)</td> </tr> <tr> <td>    Other payables</td> <td style="text-align: right;">1 890</td> </tr> <tr> <td>    Bank overdraft</td> <td style="text-align: right;">856</td> </tr> <tr> <td>    Total current liabilities</td> <td style="text-align: right; border-top: 1px solid black;">29 122</td> <td></td> </tr> <tr> <td>    Total capital and liabilities</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">39 275</td> <td></td> </tr> </table>	Current liabilities			Trade payables	26 376	(1)OF } (1 for both)	Other payables	1 890	Bank overdraft	856	Total current liabilities	29 122		Total capital and liabilities	39 275		
Current liabilities																		
Trade payables	26 376	(1)OF } (1 for both)																
Other payables	1 890																	
Bank overdraft	856																	
Total current liabilities	29 122																	
Total capital and liabilities	39 275																	
1(e)	<p>Nadia may have had to buy from new suppliers who were more expensive</p> <p>Suppliers may have increased their prices but Nadia may not have been able to pass these increases onto her customers</p> <p>Nadia may have started selling new products at lower prices or margin</p> <p>To maintain or increase sales, Nadia may have had to run promotions or offer higher discounts</p> <p>Nadia may have had old or obsolete inventory that had to be cleared at reduced prices</p> <p>Increased amounts of inventory may have been damaged or stolen</p> <p>Nadia may have been controlling her overheads better resulting in the higher profit margin</p> <p>If the business has been expanding, some overhead costs do not increase proportionately with sales</p> <p>Delph may be operating from larger premises with higher property costs</p> <p>Delph may experience low profitability due to first year of trading</p> <p><b>Advice</b> Nadia's business is more profitable (1)</p> <p><b>Any other suitable answers – max 7</b></p>	<b>7</b>																

**PUBLISHED**

Question	Answer			Marks																																											
2(a)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="text-align: center; width: 20%;">Debit</td> <td style="text-align: center; width: 20%;">Credit</td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Bank</td> <td style="text-align: right;">100 000</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Share capital</td> <td></td> <td style="text-align: right;">80 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td style="padding-left: 40px;">Share premium</td> <td></td> <td style="text-align: right;">20 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td style="padding-left: 20px;">Bank</td> <td style="text-align: right;">234 000</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Share capital</td> <td></td> <td style="text-align: right;">180 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td style="padding-left: 40px;">Share premium</td> <td></td> <td style="text-align: right;">54 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td style="padding-left: 20px;">Share premium</td> <td style="text-align: right;">94 000</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td style="padding-left: 20px;">Retained earnings</td> <td style="text-align: right;">16 000</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td style="padding-left: 40px;">Share capital</td> <td></td> <td style="text-align: right;">110 000</td> <td></td> </tr> </table>		Debit	Credit			\$	\$		Bank	100 000			Share capital		80 000	(1)	Share premium		20 000	(1)	Bank	234 000			Share capital		180 000	(1)	Share premium		54 000	(1)	Share premium	94 000		(1)	Retained earnings	16 000		(1)	Share capital		110 000			<b>6</b>
	Debit	Credit																																													
	\$	\$																																													
Bank	100 000																																														
Share capital		80 000	(1)																																												
Share premium		20 000	(1)																																												
Bank	234 000																																														
Share capital		180 000	(1)																																												
Share premium		54 000	(1)																																												
Share premium	94 000		(1)																																												
Retained earnings	16 000		(1)																																												
Share capital		110 000																																													
2(b)		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="text-align: center; width: 20%;">\$</td> <td style="width: 30%;"></td> </tr> <tr> <td style="padding-left: 20px;">Brought forward</td> <td style="text-align: right;">610 000</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Share issue</td> <td style="text-align: right;">100 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td style="padding-left: 20px;">Rights issue</td> <td style="text-align: right;">234 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">944 000</td> <td style="text-align: right; border-top: 1px solid black;">(1)OF</td> </tr> </table>		\$		Brought forward	610 000		Share issue	100 000	(1)	Rights issue	234 000	(1)		944 000	(1)OF	<b>3</b>																													
	\$																																														
Brought forward	610 000																																														
Share issue	100 000	(1)																																													
Rights issue	234 000	(1)																																													
	944 000	(1)OF																																													
2(c)	<p>Issue of bonus shares</p> <p>Pay premium on the redemption of debentures</p> <p>Write off company formation expenses</p> <p>Write off expenses of a share issue or debenture issue</p> <p><b>1 mark for each valid use (max 3 marks)</b></p>		<b>3</b>																																												



**PUBLISHED**

Question	Answer	Marks
2(d)	<p>To release reserves to shareholder with no impact on cash flow.</p> <p>To liquidate capital reserves that cannot be used to pay dividends.</p> <p>To match long-term assets with long-term capital.</p> <p>To give positive signal to potential investors</p> <p><b>1 mark for each valid reason (max 3 marks)</b></p>	<b>3</b>

Question	Answer	Marks
3(a)(i)	<p>More capital investment <b>(1)</b></p> <p>Losses will be shared with more partners <b>(1)</b></p> <p>New ideas <b>(1)</b></p> <p>Shared workload <b>(1)</b></p> <p>Shared responsibility <b>(1)</b></p> <p>Shared risk <b>(1)</b></p> <p>More specialist skills <b>(1)</b></p> <p><b>Max 2</b></p>	<b>2</b>
3(a)(ii)	<p>Profits must be shared <b>(1)</b></p> <p>More potential disputes <b>(1)</b></p> <p>Slower decision making <b>(1)</b></p> <p>Loss of control <b>(1)</b></p> <p><b>Max 2</b></p> <p>Note: Allow sharing of profits / losses only once as an advantage or a disadvantage</p>	<b>2</b>
3(b)	<p><math>\\$45000 + 8000 - 21000 = \\$32000</math> Profit <b>(1)</b></p> <p>Paul \$19200 } Angela \$12800 } <b>(1OF for both)</b></p>	<b>2</b>

**PUBLISHED**

Question	Answer	Marks																																																								
3(c)	<p style="text-align: center;">Capital Accounts</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Paul \$</th> <th style="text-align: center;">Angela \$</th> <th style="text-align: center;">Rachael \$</th> <th></th> <th style="text-align: center;">Paul \$</th> <th style="text-align: center;">Angela \$</th> <th style="text-align: center;">Rachael \$</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">Goodwill (1)</td> <td style="text-align: right;">25000</td> <td style="text-align: right;">15000</td> <td style="text-align: right;">10000</td> <td style="text-align: left;">Bal b/d</td> <td style="text-align: right;">145000</td> <td style="text-align: right;">95000</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: left;">Cash / Bank (1)</td> <td></td> <td></td> <td style="text-align: right;">75000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: left;">Goodwill (1)</td> <td style="text-align: right;">30000</td> <td style="text-align: right;">20000</td> <td></td> </tr> <tr> <td style="text-align: right;">Bal c/d</td> <td style="text-align: right;">169200</td> <td style="text-align: right;">112800</td> <td style="text-align: right;">65000</td> <td style="text-align: left;">Revaluation (1) OF</td> <td style="text-align: right;">19200</td> <td style="text-align: right;">12800</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>194200</u></td> <td style="text-align: right;"><u>127800</u></td> <td style="text-align: right;"><u>75000</u></td> <td></td> <td style="text-align: right;"><u>194200</u></td> <td style="text-align: right;"><u>127800</u></td> <td style="text-align: right;"><u>75000</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: left;">Bal b/d (1) OF</td> <td style="text-align: right;">169200</td> <td style="text-align: right;">112800</td> <td style="text-align: right;">65000</td> </tr> </tbody> </table>		Paul \$	Angela \$	Rachael \$		Paul \$	Angela \$	Rachael \$	Goodwill (1)	25000	15000	10000	Bal b/d	145000	95000						Cash / Bank (1)			75000					Goodwill (1)	30000	20000		Bal c/d	169200	112800	65000	Revaluation (1) OF	19200	12800			<u>194200</u>	<u>127800</u>	<u>75000</u>		<u>194200</u>	<u>127800</u>	<u>75000</u>					Bal b/d (1) OF	169200	112800	65000	<b>5</b>
	Paul \$	Angela \$	Rachael \$		Paul \$	Angela \$	Rachael \$																																																			
Goodwill (1)	25000	15000	10000	Bal b/d	145000	95000																																																				
				Cash / Bank (1)			75000																																																			
				Goodwill (1)	30000	20000																																																				
Bal c/d	169200	112800	65000	Revaluation (1) OF	19200	12800																																																				
	<u>194200</u>	<u>127800</u>	<u>75000</u>		<u>194200</u>	<u>127800</u>	<u>75000</u>																																																			
				Bal b/d (1) OF	169200	112800	65000																																																			
3(d)	<p>To reward the existing partners (1) for having established the business and built the reputation (1)</p> <p><b>1 mark for stating + 1 mark for development</b></p>	<b>2</b>																																																								
3(e)	<p>A business making profits each year and these could be increasing over time</p> <p>An established reputation</p> <p>Customer loyalty and repeat business</p> <p>Brand name and image</p> <p>Value of the business as a going concern exceeds the value of the net separable assets.</p> <p>Good location</p> <p>Quality of staff / products</p> <p>Allow other suitable answers</p> <p><b>Max 2</b></p>	<b>2</b>																																																								

Question	Answer	Marks
4(a)(i)	apportionment (1)	<b>1</b>
4(a)(ii)	direct materials are allocated (1) because they are directly attributable to production units (1)	<b>2</b>
4(b)(i)	factory rent – by floor area (1)	<b>1</b>

**PUBLISHED**

<b>Question</b>	<b>Answer</b>	<b>Marks</b>
4(b)(ii)	depreciation of factory machinery – by cost or NBV of factory machinery (1) Machine hours (1)	<b>1</b>
4(c)(i)	\$34 (1)	<b>1</b>
4(c)(ii)	\$63 (1)	<b>1</b>
4(d)(i)	\$63 000 (1) + \$15 000 (1) + \$30 000 (1) = (\$108 000 / 1000) × 25% = \$27.00 (1) <b>OF</b>	<b>4</b>
4(d)(ii)	\$84 000 (1) + \$18 000 (1) + \$36 000 (1) = (\$138 000 / 1200) × 25% = \$28.75 (1) <b>OF</b>	<b>4</b>
4(e)	<p><b>Financial (max 3)</b> The budgeted profit per unit is higher for scooters (1) as is the selling price (1) and it would appear that taking up the suggestion would increase profit (1).</p> <p>There might be staff retraining costs to be paid. (1)</p> <p>Would it be necessary to make staff redundant involving redundancy costs? (1)</p> <p><b>Non financial (max 3)</b> Is there demand for the extra scooters? (1)</p> <p>If Department B is working at less than full capacity production of scooters could be increased without affecting Department A. (1)</p> <p>Machinery used in making bicycles might not be suitable for producing scooters. (1)</p> <p>Do staff have the necessary skills (1)</p> <p>It might only be possible to make say 400 extra scooters by using the resources freed from the 500 bicycles. (1)</p> <p>May lead to customer dissatisfaction (1)</p> <p>Decision (1)</p>	<b>7</b>
4(f)	OAR = 74 000 (1) / 2000 (1) = \$37 per direct labour hour (1) <b>OF</b>	<b>3</b>

Question	Answer	Marks															
4(g)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;"></td> <td style="text-align: right; width: 10%;">\$</td> <td style="width: 50%;"></td> </tr> <tr> <td style="padding-left: 40px;">overheads absorbed 2100 (1) × \$37 (1)OF</td> <td style="text-align: right;">77700</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">actual</td> <td style="text-align: right;">76200 (1)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">1500 (1)OF</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;"><b>over absorbed (1)OF</b></td> <td></td> </tr> </table>		\$		overheads absorbed 2100 (1) × \$37 (1)OF	77700		actual	76200 (1)			1500 (1)OF			<b>over absorbed (1)OF</b>		<b>5</b>
	\$																
overheads absorbed 2100 (1) × \$37 (1)OF	77700																
actual	76200 (1)																
	1500 (1)OF																
	<b>over absorbed (1)OF</b>																