

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
A2 GCE
F013/01

ACCOUNTING

Company Accounts and Interpretation

MONDAY 8 JUNE 2015: Morning

DURATION: 1 hour 30 minutes
plus your additional time allowance

MODIFIED ENLARGED 24pt

Candidate forename						Candidate surname				
Centre number						Candidate number				

Candidates answer on the Question Paper.

OCR SUPPLIED MATERIALS:
Resource Booklet (F013/01/RB)

OTHER MATERIALS REQUIRED:
A calculator may be used

A calculator may be used for this paper
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READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

Write your name, centre number and candidate number in the boxes on the first page. Please write clearly and in capital letters.

Use black ink. HB pencil may be used for graphs and diagrams only.

Answer ALL the questions.

The information required to answer questions 1–3 is contained within the resource booklet.

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

You must show the calculations leading to your answers.

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 80.

The quality of your written communication will be taken into account in marking your answers to the two questions/sub-questions marked with an asterisk (*).

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.

Any blank pages are indicated.

BLANK PAGE

1 REQUIRED

(a)* The Profit and Loss Account for the year ended 31 December 2014 (in accordance with the minimum required for publication).

Show your workings for question 1(a) below.

[21]

Working Box

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- (b) The directors of Andrew plc are considering the possibility of either a rights issue of ordinary shares or a bonus issue of ordinary shares.**

Assess the relative merits of a rights issue and a bonus issue. [8]

This image shows a single page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page, typical of notebook paper. There are no margins, text, or other markings on the page.

2 REQUIRED

(a) Calculate each of the following. (Where appropriate, calculations should be shown to two decimal places.)

- (i) Earnings per share.**
- (ii) Price earnings ratio.**
- (iii) Dividend cover.**
- (iv) Interest cover.**
- (v) Return on capital employed.**

Show your workings for question 2(a) overleaf.

Working Box

(i) Earnings per share.

[3]

(ii) Price earnings ratio.

[3]

(iii) Dividend cover.

[3]

(iv) Interest cover.

[3]

(v) Return on capital employed.

[3]

(b)* The directors of Ceri plc are considering increasing the long term loan from the bank by a further £700 000.

Discuss the implications of this proposal for the ordinary shareholders of Ceri plc. [12]

[illegible]

[illegible]

3 REQUIRED

- (a) The Schedule of Fixed Assets for the year ended 31 December 2014.**

Show your workings for question 3(a) below. [18]

Working Box

[illegible]

[illegible]

[illegible]

- (b) In the next five years Lisvane Ltd expects to make a substantial investment in developing a new product.**

Discuss how development costs should be treated in final accounts. [6]

[illegible]

END OF QUESTION PAPER

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