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**Mallikco plc**  
**Statement of financial position at 31 March 2021**

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Handwriting practice area with 22 horizontal dotted lines.

(Total for Question 1 = 22 marks)





(b) Calculate for the year ended 30 April 2021 the:

(i) net cash from/used in investing activities

(5)

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(ii) net cash from/used in financing activities.

(5)

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(c) State **two** benefits to a shareholder of the statement of cash flows.

(2)

1 .....

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2 .....

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**(Total for Question 2 = 21 marks)**







**Parlov plc**  
**Consolidated statement of profit or loss for the year ended 31 March 2021**

Area with horizontal dotted lines for writing the consolidated statement of profit or loss.

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You will need to use the data on **page 7** of the Resource Booklet to answer part (b).

**4** (a) Explain the purpose of the statement of changes in equity.

(2)

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The balance of the revaluation reserve at 1 April 2020 was \$25 000

(b) (i) Calculate the balance of the revaluation reserve at 31 March 2021.

(3)

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(ii) Complete the statement of changes in equity for the year ended 31 March 2021.

(9)

**Splend plc**  
**Statement of changes in equity for the year ended 31 March 2021**

	Share capital \$000	Share premium \$000	Revaluation reserve \$000	Retained earnings \$000	Total \$000
At 1 April 2020			25	86	
Bonus issue					
Final dividend					
Rights issue					
Interim dividend					
Sale of land					
Revaluation					
Profit for the year					
At 31 March 2021	450	33			

(c) State the international accounting standard applied when revaluing a non-current asset.

(2)

IAS No	IAS title



(d) State the **three** stages when accounting for the revaluation of a non-current asset.

(3)

1 .....

2 .....

3 .....

(Total for Question 4 = 19 marks)

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5 (a) State **two** qualitative characteristics set out in the International Accounting Standards Board (IASB) Conceptual Framework.

(2)

1 .....

2 .....

Company X sued a supplier for \$30 000 as a result of damages caused by a faulty machine. The supplier denies responsibility but Company X has been advised that it will probably be awarded the damages in the court case.

(b) Advise the directors of Company X how this should be treated in the financial statements with reference to an international accounting standard.

(3)

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(c) Explain the importance of the price/earnings ratio to an ordinary shareholder.

(3)

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(d) Explain the importance of accounting ratios to a business.

(2)

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Jasmin wishes to make an investment in a company to provide regular income with minimal risk. She has identified two companies, both in the same industry.

	<b>Aye plc</b>	<b>Zed plc</b>
Return on capital employed (ROCE)	17.4%	14.1%
Return on equity	8.3%	11.2%
Interest cover	1.9 times	4.1 times
Dividend cover	2.1 times	2.9 times

(e) Analyse the data for the two companies and recommend, with justification, which investment Jasmin should choose.

(9)

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(Total for Question 5 = 19 marks)

**TOTAL FOR PAPER = 100 MARKS**



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