

HKDSE BAFS (Accounting) Mock Paper (10 questions, 100 marks, 1 hour 30 minutes)

中五 (IGCSE Year 11) BAFS | 時限：90 分鐘 | 總分：100 分 | 共 10 題

Section A (Questions 1 to 5, 50 marks)

Answer ALL questions. A calculator may be used. Show your working in calculations, give numerical answers to an appropriate number of significant figures, and state units in every final answer. All data are examples and this is not a past paper of any examination board.

1. A company bought a machine on 1 January 2025 for \$240,000. Estimated residual value is \$24,000 and the useful life is 5 years. Depreciation is charged on the straight-line basis. (a) Calculate the annual depreciation charge. (b) Calculate the net book value after three years. (c) If the reducing-balance method at 40% per year were used instead, show the depreciation charge for each of the first three years. (d) Compare the year-3 charges under the two methods and explain the difference.
2. A shop had no opening inventory. Purchases during the year were: January 100 units at \$20 each, March 200 units at \$24 each and May 150 units at \$30 each. 300 units were sold at \$45 each. (a) Using the weighted average method, calculate the cost of goods sold and the closing inventory. (b) Using the first-in-first-out method, calculate the cost of goods sold and the closing inventory. (c) Calculate the difference in cost of goods sold between the two methods. (d) State which method gives the higher profit when prices are rising, and why.
3. At 31 March the bank statement showed a credit balance of \$18,450 while the cash book showed a debit balance of \$19,800. Unpresented cheques were \$3,200, deposits in transit \$5,600, the bank had collected a note for \$2,000 not yet recorded, bank charges of \$150 and a dishonoured customer cheque of \$800 were not recorded. (a) Prepare the bank reconciliation statement and calculate the adjusted bank balance. (b) State the three adjustments needed in the cash book. (c) Calculate the adjusted cash book balance. (d) State whether the two adjusted balances should agree, and explain why.
4. At the year end receivables were \$420,000. An allowance for doubtful debts of 5% of receivables is required and the allowance brought forward had a credit balance of \$8,000. (a) Calculate the required allowance and the increase needed. (b) If bad debts of \$6,000 were written off during the year, calculate receivables after the write-off. (c) Calculate the revised allowance and the additional charge or release. (d) Calculate the net receivables after the write-off and adjustment, and explain why writing off a bad debt does not change net receivables.

5. A company reports current assets of \$480,000 (including inventory of \$180,000), current liabilities of \$240,000, total liabilities of \$600,000, total assets of \$1,500,000, cost of goods sold of \$1,080,000 and average inventory of \$180,000. (a) Calculate the current ratio and the quick ratio. (b) Calculate the gearing (debt) ratio. (c) Calculate the inventory turnover and the average inventory period (365 days). (d) Calculate working capital and comment on short-term solvency.

Section B (Questions 6 to 10, 50 marks)

Answer ALL questions. A calculator may be used. Show your working in calculations, give numerical answers to an appropriate number of significant figures, and state units in every final answer. All data are examples and this is not a past paper of any examination board.

6. A company reports net sales of \$1,200,000, cost of goods sold of \$720,000, operating expenses of \$300,000 and interest expense of \$24,000. The tax rate is 16.5%. (a) Calculate gross profit and the gross profit ratio. (b) Calculate operating profit. (c) Calculate profit before tax, the tax charge and net profit. (d) Calculate the net profit ratio and explain how the gross margin can rise while the net margin falls.

7. A and B are partners with capital of \$300,000 and \$200,000. The partnership agreement provides salaries of \$60,000 to A and \$40,000 to B, interest on capital at 5% per year, and the residue shared 3:2. Profit for the year was \$240,000. (a) Calculate the interest on capital for each partner. (b) Calculate the residue after salaries and interest. (c) Calculate each partner total share and check the total. (d) If profit had been only \$80,000, state the principle to be applied.

8. A product sells for \$50 per unit, variable cost is \$30 per unit and annual fixed cost is \$360,000. (a) Calculate the unit contribution and the contribution margin ratio. (b) Calculate the break-even quantity and break-even sales revenue. (c) Calculate the units needed to earn a profit of \$120,000. (d) At current sales of 27,000 units, calculate the margin of safety in units and as a percentage, and the current profit.

9. A company reports profit before tax of \$200,000 and depreciation of \$80,000. Inventory rose by \$30,000, receivables fell by \$20,000 and payables fell by \$10,000. Tax paid was \$30,000, plant was purchased for \$150,000, shares were issued for \$100,000, dividends of \$60,000 were paid and opening cash was \$80,000. (a) Calculate cash from operating activities before and after tax paid. (b) Calculate investing and financing cash flows. (c) Calculate the net change in cash and closing cash. (d) Explain why profit before tax differs from operating cash flow.

10. A company issued 200,000 ordinary shares at \$5 each, par value \$1, all paid in cash. Net profit was \$480,000, a dividend of \$0.30 per share was declared and the price-earnings ratio is 12 times. (a) Calculate the proceeds, share capital and share premium. (b) Calculate total dividends and the dividend payout ratio. (c) Calculate earnings per share and the market price per share. (d) Explain why a company may keep part of its profit rather than distribute it all.