4 ZPR is a business in the tertiary sector. It has 1 restaurant which has 20 employees. The Human Resources Manager is preparing a job description as ZPR needs 2 new chefs. He said: 'I need to advertise the job vacancies externally. ZPR will use a range of financial rewards as it can be difficult to recruit employees.' The manager knows there are many factors for a business to consider when deciding who to recruit.

(a) Define 'tertiary sector'.

....

....

....

.... [2]

(b) Define 'job description'.

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....

....

.... [2]

(c) Identify **four** financial rewards a business could use.

Reward 1: ....

....

Reward 2: ....

....

Reward 3: ....

....

Reward 4: ....

.... [4]

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(d) Explain **two** ways ZPR could use to advertise its job vacancies externally.

Way 1: ....

....

Explanation: ....

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....

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Way 2: ....

....

Explanation: ....

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....

.... [6]

(e) Explain **two** factors a business should consider when deciding who to recruit. Which factor is likely to be the most important for a tertiary sector business? Justify your answer.

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.... [6]

2 Jenny maintains a full set of accounting records and prepares control accounts at the end of each month. She has provided the following information:

2025			$	
January 31		Sales ledger control account balance	1895	debit
February 28		Totals for the month		
		Sales journal	42600	
		Cash sales	2300	
		Sales returns journal	7300	
		Bank transfers received from credit customers	?	
		Discount allowed	1265	
		Irrecoverable debts	1040	
		Contra entries	2850	
		Interest charged on overdue accounts	510	
March 1		Sales ledger control account balance	750	credit

REQUIRED:

(a) Prepare Jenny's sales ledger control account for the month ended 28 February 2025. Balance the account and bring down the balance at 1 March 2025.

Jenny
Sales ledger control account

Date	Details	$	Date	Details	$
2025			*2025*		
....	....	....	....	....	....
....	....	....	....	....	....
....	....	....	....	....	....
....	....	....	....	....	....
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....	....	....	....	....	....
....	....	....	....	....	....
....	....	....	....	....	....
....	....	....	....	....	....
....	....	....	....	....	....

[9]

(b) State **one** advantage of maintaining a sales journal.

....

.... [1]

(c) Complete the following table by indicating the name of the source document that Jenny would use to make entries in her books of prime entry.

State whether the source document is **issued** or **received** by Jenny.

Book of prime entry	Source document	Issued or Received
Sales journal		
Purchases returns journal		

[2]

(d) State what is meant by the following terms:

(i) cash discount

....

.... [1]

(ii) trade discount.

....

.... [1]

Jenny has received goods from one of her credit suppliers. When she inspected the goods, she found they were faulty.

REQUIRED

(e) Name the document Jenny would issue to her supplier to record the receipt of these faulty goods.

.... [1]

Jenny currently does **not** maintain a provision for doubtful debts. When all reasonable steps to obtain payment from credit customers have failed, she writes off the debt. Her colleague has advised her that she should create a provision for doubtful debts when she prepares her next set of financial statements.

REQUIRED

(f) Advise Jenny whether or not she should create and maintain a provision for doubtful debts. Justify your answer by providing **two** arguments for and **two** arguments against maintaining a provision for doubtful debts.

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.... [5]

[Total: 20]

3 Rushil is a trader and has provided his statement of financial position at 30 September 2025.

	$	$
Non-current assets		220 000
Current assets		
Inventory	34 000	
Trade receivables	44 000	
Other receivables	6 500	
Cash	8 400	92 900
		312 900
Capital and liabilities		
Capital – opening balance	199 100	
Profit for the year	36 000	
	235 100	
Less: Drawings	12 000	223 100
Non-current liabilities		
Long-term bank loan	49 000	49 000
Current liabilities		
Trade payables	31 000	
Bank	9 800	40 800
		312 900

Rushil has provided the following additional information:

1 Inventory at 1 October 2024 was $30 000.

2 The profit for the year in his statement of financial position was after having deducted loan interest charges of $2450.

3 For the year ended 30 September 2025:

- sales totalled $482 000 ($387 000 were on credit; the remainder were cash sales)
- purchases totalled $310 000 (all on credit).

REQUIRED

(a) Complete the following table.

Return on capital employed (ROCE) Workings	Answer (correct to **two** decimal places)
Rate of inventory turnover Workings	Answer (correct to **two** decimal places)
Trade receivables turnover (days) Workings	Answer (round up to the next **whole** day)
Trade payables turnover (days) Workings	Answer (round up to the next **whole** day)
Current ratio Workings	Answer (correct to **two** decimal places)

[8]

(b) **(i)** Suggest **two** ways that Rushil might improve his return on capital employed (ROCE).

1 ....

....

2 ....

.... [2]

(ii) Suggest **two** ways that Rushil might improve his inventory turnover rate.

1 ....

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2 ....

.... [2]

Included in Rushil's closing inventory valuation were some items that had been damaged. These were included at a reduced value.

REQUIRED

(c) **(i)** State why the inventory was included at a reduced value.

....

.... [1]

(ii) Name the accounting principle that is being applied.

....

.... [1]

(iii) Complete the table by indicating with a tick (✓) the effect on Rushil's gross profit of including his damaged inventory at a reduced value.

effect on Rushil's gross profit	
increase	decrease

[1]

Rushil is concerned that his credit customers are taking too long to pay him. He is considering allowing a 2.5% cash discount on all credit sales if paid within 21 days.

REQUIRED

(d) Advise Rushil whether or not he should allow his credit customers a cash discount if they make payment to him within 21 days. Justify your answer with arguments for and against Rushil allowing his credit customers a cash discount if they make payment to him within 21 days.

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.... [5]

[Total: 20]