|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  Province of theEASTERN CAPEEDUCATION**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)****HOME SCHOOLING SELF-STUDY MARKING GUIDELINES**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **SUBJECT** | **ACCOUNTING** | **GRADE** | 11 | **DATE** | 30 April –2020 |
| **TOPIC** | **COST ACCOUNTING (MANUFACTURING)** |  **Term 2** |

 |

**QUESTION 1** |  |
|  |  |
|  |  |  |
| 1.1 | **Match the concepts** |  |
|  |

|  |  |  |
| --- | --- | --- |
| **1.1.1** | E | ✓ |
| **1.1.2** | A | ✓ |
| **1.1.3** | D | ✓ |
| **1.1.4** | C | ✓ |
| **1.1.5** | B | ✓ |

 |

|  |
| --- |
|  |
| **5** |

 |

|  |  |  |
| --- | --- | --- |
| 1.2 | **BUCO BUILDERS** |  |
|  |  |  |
| 1.2.1 | **Calculate:** |  |
|  | **Direct labour cost** |  |
|  | 5 x 1 840 x R45,60 = **419 520** ✓🗹\* 385 x 5 x R68,40 = 131 670 ✓🗹\* 551 190 – 4 marks419 520 🗹 x 10% = 41 952 🗹\* (37 756,80 + 4 195,20) - both for 1 mark Total = 593 142 🗹\* \*One part correct |

|  |
| --- |
|  |
| **7** |

 |

|  |  |
| --- | --- |
|  | **GENERAL LEDGER OF BUCO BUILDERS** |
| (a) | **RAW MATERIAL ACCOUNT** |
| 2018 Mar | 1 | Balance | b/d | 23 800 ✓ | 2019Feb | 28 | Creditors control |  | 9 300 🗸 |
| 2019Feb | 28 | Creditors control |  | 489 400 🗸 |  |  | Work-in-progress acc. |  |  514 300 🗸 |
|  |  | Bank  |  | 15 230 🗸 |  |  | Balance | c/d | 34 830 ✓ |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | 528 430 🗹 | One part correct |  | 528 430  |
| 2019Mar | 1 | Balance | b/d | 34 830 |  |

|  |
| --- |
|  |
| **7** |

|  |
| --- |
| (b)  **FACTORY OVERHEAD ACCOUNT** |
| 2019Feb | 28 | Consumable stores / Factory indirect material  |  | 22 914 🗸 | 2019Feb | 28 | Work-in-progress acc. |  | 452 863🗹\* |
|  |  | Indirect labour  |  | 81 500🗸 |  |  |  |  |  |
|  |  | Rent expense 279 400 x 5/8 |  | 174 625🗸🗸 |  |  |  |  |  |
|  |  | Water and electricity135 900 x .75 |  | 101 925🗸🗸 |  |  |  |  |  |
|  |  | Insurance 47 500 x 2/3 |  | 32 200🗸🗸 |  |  |  |  |  |
|  |  | Sundry expenses |  | 39 699 🗸 |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | 452 863 |  |  | 452 863 |
|  |  |  |  |  |  |

|  |
| --- |
| **10** |

|  |
| --- |
| (c) **WORK-IN-PROCESS STOCK ACCOUNT** |
| 2018 Mar | 1 | Balance | b/d | 27 570 ✓ | 2019Feb | 28 | Finished goods stock Balancing figure |  | 1 560 975 ☑ |
| 2019Feb | 28 | Direct material cost  |  | 514 300 🗹\*See 1.2.1 (a) |  |  | Balance | c/d | 26 900 ✓ |
|  |  | Direct labour cost  |  | 593 142🗹\*See 1.2.1 |  |  |  |  |  |
|  |  | Factory overhead cost  |  | 452 863🗹\*See 1.2.1 (b) |  |  |  |  |  |
|  |  |  |  | 1 587 875🗹 | one part correct |  | 1 587 875 |
| 2019Mar | 1 | Balance | b/d | 26 900  | **[7 marks]** |

|  |  |  |
| --- | --- | --- |
| 1.2.3 | **GROSS PROFIT CALCULATION** |  |
|  |  see 1.2.2.3Cost of sales : 40 026 ✓ + 1 560 975 🗹 – 45 744 ✓ = 1 555 257 🗹\*Sales (units) 210 + 8 000 – 240 = 7 970 ✓☑ x R250 = 1 992 500 🗹\* one part correctGross profit : 1 992 500 – 1 555 257 = 437 243 🗹\* one part correct **OR**2 marks 2 marks 1 marks 2 marks 1 work with 250 – 190,60 = 59,40 x 7 970 = 473 418 |

|  |
| --- |
|  |
| **8** |

 |
| 1.3 | **CLEAR BAG MANUFACTURERS** |  |
|  |  |  |
| 1.1.1 | **(a)** | 12 480 x R7,00 = 87 360 ✓✓ |

|  |
| --- |
|  |
| **4** |

 |
|  | **(b)** | 374 400/12 480 = R30 ✓✓ |
|  |  |  |
| 1.1.2 | **Do a calculation to verify the break-even number of units for the financial year ended 30 June 2017** |  |
|  |  see 1.1.1 a 25 x 12 480 or (224 640 + 87 360) 312 000 ✓🗹 One part correct in workings. = 12 000 R92,50 ✓– (28 + 30 + 8,50) 66,50 🗹 |

|  |
| --- |
|  |
| **4** |

 |
|  |  |  |
| 1.1.3 | **Comment on the break-even point and the level of production for both years. Quote relevant figures in your comment.** |  |
|  | Valid comment ✓✓ quoting figures ✓✓Comparing BEP to level of production – the business produced 12 480 units which is 480 units more than the BEP. Making low profit. Need to increase productivity to increase profits**Or**Compare production 2015 to 2016 – the business produced 680 units more than last year.**Or** BEP increased from 11 800 to 12 000 units. The business did not make a profit last year (broke even) but managed to increase the production levels this year. |

|  |
| --- |
|  |
| **4** |

 |
| 1.1.4 | **Provide a valid reason for the change in direct material cost per unit.** |  |
|  | Any valid reason ✓✓ see to calculation (b)* Could be additional transport costs.
* Shortage of stock from suppliers pushed the price up (supply and demand)
* Wastage in the factory.
* Poorly trained workers.
* Stock theft.
* Inflation
* Injudicious buying (not comparing prices, looking for alternative suppliers, etc. care-free kind of buying)
 |

|  |
| --- |
|  |
| **2** |

 |
|  |  |  |
| 1.1.5 | **Give ONE suggestion that the business can use to improve production and profitability. Quote figures.** |  |
|  | * Reduce costs – 20% increase in direct materials.
* Control use of raw material. Train workers to be more efficient (25,00 🡪 30,00)
* Look for cheaper suppliers, local to reduce transport costs. (25,00 🡪 30,00)
* Provide incentives to workers to produce more – only 680 units more than last year and 480 more than the BEP. Workers increase is 9%.
* Spend more money on advertising to improve sales – there was a decrease in selling and distribution costs from 8,90 to 8,50 per unit.
* Only a 14% increase in price of desks – could use a bigger mark-up. (40% mark-up presently being used) ✓✓
 |

|  |
| --- |
|  |
| **2** |

 |

|  |  |  |
| --- | --- | --- |
| **Q3** | **60** |  |