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| |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Province of the  EASTERN CAPE  EDUCATION  **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** | |

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| 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 marks  419 520 🗹 x 10% = 41 952 🗹\* (37 756,80 + 4 195,20) - both for 1 mark  Total = 593 142 🗹\* \*One part correct | |  | | --- | |  | | **7** | |

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|  | | **GENERAL LEDGER OF BUCO BUILDERS** | | | | | | | | |
| (a) | | **RAW MATERIAL ACCOUNT** | | | | | | | | |
| 2018 Mar | 1 | | Balance | b/d | 23 800 ✓ | 2019  Feb | 28 | Creditors control |  | 9 300 🗸 |
| 2019  Feb | 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 |
| 2019  Mar | 1 | | Balance | b/d | 34 830 |  | | | | |

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| **7** |

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| (b)  **FACTORY OVERHEAD ACCOUNT** | | | | | | | | | |
| 2019  Feb | 28 | Consumable stores / Factory indirect material |  | 22 914 🗸 | 2019  Feb | 28 | Work-in-progress acc. |  | 452 863🗹\* |
|  |  | Indirect labour |  | 81 500🗸 |  |  |  |  |  |
|  |  | Rent expense  279 400 x 5/8 |  | 174 625🗸🗸 |  |  |  |  |  |
|  |  | Water and electricity  135 900 x .75 |  | 101 925🗸🗸 |  |  |  |  |  |
|  |  | Insurance  47 500 x 2/3 |  | 32 200🗸🗸 |  |  |  |  |  |
|  |  | Sundry expenses |  | 39 699 🗸 |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | 452 863 |  | | |  | 452 863 |
|  |  |  |  |  |  | | | | |

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| **10** |

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| (c) **WORK-IN-PROCESS STOCK ACCOUNT** | | | | | | | | | |
| 2018 Mar | 1 | Balance | b/d | 27 570 ✓ | 2019  Feb | 28 | Finished goods stock  Balancing figure |  | 1 560 975 ☑ |
| 2019  Feb | 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 |
| 2019  Mar | 1 | Balance | b/d | 26 900 | **[7 marks]** | | | | |

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| 1.2.3 | **GROSS PROFIT CALCULATION** | |  |
|  | see 1.2.2.3  Cost 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 correct  Gross 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** | |

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