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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** | 29 April –2020 | | **TOPIC** | **COST ACCOUNTING (MANUFACTURING)** | **Term 2** | | | | |

**QUESTION 2**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **2.1** | **Match the description in COLUMN B with the concept in COLUMN A.** | | | |  |  |
|  |  | | | |  |  |
|  |  | 2.1.1 | B🗸 |  |  |  |
|  |  | 2.1.2 | D🗸 |  |  |  |
|  |  | 2.1.3 | C🗸 |  |  |  |
|  |  | 2.1.4 | F🗸 |  |  |  |
|  |  | 2.1.5 | A🗸 |  |  |  |
|  |  | | | |  | **5** |

**2.2** **GENERAL LEDGER OF NEW MICKEY MOUSE MANUFACTURERS**

**BALANCE SHEET ACCOUNT SECTION**

**2.2.1 WORK-IN-PROGRESS B**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2018**  **Mar** | **1** | **Balance** | **b/d** | **105 500** | 2019  Feb | 28 | Finished goods |  | 1 434 700☑ |
| 2019  Feb | 28 | Direct material cost |  | 513 000🗸 |  |  | Balance | c/d | 84 070☑ |
|  |  | Direct labour cost |  | 468 800🗸 |  |  |  |  |  |
|  |  | Factory overhead cost |  | 431 470☑ |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | 1 518 770 |  |  |  |  | 1 518 770 |
| 2018  Mar. | 1 | Balance | b/d | 84 070☑ |  |  |  |  |  |

See other accounts for part marks

**2.2.2 FINISHED GOODS**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2018  Mar | 1 | Balance | b/d | 130 000🗸 | 2019  Feb | 28 | Cost of sales  100/125 X 1 880 000 |  | 1 504 000🗸🗸 |
| 2019  Feb | 28 | Work-in-progress |  | 1 443 700✓ |  |  | Balance | c/d | 60 700✓ |
|  |  |  |  | 1 564 700 |  |  |  |  | 1 564 700 |
| 2019  Mar | 1 | Balance | b/d | 60 700✓ |  |  |  |  |  |

**[ 6]**

**2.2.3 FACTORY OVERHEAD COST**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2019  Feb | | 28 | Consumable stores  17 200 🗸+ 88 100🗸 – 21 900🗸 x 70/100🗸 |  | 89 970 ☑ | 2019  Feb | 28 | Work-in-progress |  | 431 470☑ |
|  |  | | Indirect labour cost |  | 117 000 🗸 |  |  |  |  |  |
|  |  | | Rent expense  123 000🗸 X 800/1 200🗸 |  | 82 000 ☑ |  |  |  |  |  |
|  |  | | Water and electricity  (27 300 x 4/5) |  | 22 000 🗸🗸 |  |  |  |  |  |
|  |  | | Maintenance  42 000 🗸+ 11 000🗸 |  | 53 000 ☑ |  |  |  |  |  |
|  |  | | Depreciation |  | 67 500 🗸 |  |  |  |  |  |
|  |  | |  |  | 431 470 |  |  |  |  | 431 470 |

**16**

|  |  |  |  |
| --- | --- | --- | --- |
| **2.3.1** | **Calculate the direct material cost per unit for 2019.** |  |  |
|  | 83 280🗸  17 350🗸  = R4,80☑ one part correct |  |
|  |
|  |
|  |
| **3** |

|  |  |  |  |
| --- | --- | --- | --- |
|  | 307 800🗸\_\_  25,50🗸 – 9,30🗸  16,20 (2 marks)  = 19 000 units ☑ one part correct |  |  |
|  |  |  |  |
|  |  |  | **4** |

|  |  |  |  |
| --- | --- | --- | --- |
| **2.3.3** | **Should the business be satisfied with the number of units that they currently produce? Explain briefly.** |  |  |
|  | No🗸  The break-even point is 19 000 units and the business manufactured only 17 350 units. The business make a loss 🗸🗸  Manufactures 1 650 units below the break-even point. |  |  |
|  |  |  |  |
|  |  |  | **3** |

|  |  |  |  |
| --- | --- | --- | --- |
| **2.3.4** | **The direct labour cost per unit for 2018 amounted to R5,20. Give TWO**  **methods how the business can use to decrease this cost in the future.** |  |  |
|  | Employees must work less overtime.  Senior personnel must supervise to make sure employees are productive.  Pay workers piece-wages [units that they’ve finished]  Any acceptable answer.🗸🗸 |  |  |
|  |  |  |  |
|  |  |  | **2** |