



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

NOVEMBER EXAMINATION

COST AND MANAGEMENT ACCOUNTING N5

1 DECEMBER 2016

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SECTION A**QUESTION 1**

| | | | | |
|-----|--------|--|----------|-------------|
| 1.1 | 1.1.1 | A | | |
| | 1.1.2 | A | | |
| | 1.1.3 | A | | |
| | 1.1.4 | A | | |
| | 1.1.5 | C | | |
| | 1.1.6 | C | | |
| | 1.1.7 | C | | |
| | 1.1.8 | A | | |
| | 1.1.9 | B | | |
| | 1.1.10 | A | | |
| | 1.1.11 | D | | |
| | 1.1.12 | D | | |
| | 1.1.13 | A | | |
| | 1.1.14 | B | | |
| | 1.1.15 | C | | |
| | 1.1.16 | D | | |
| | 1.1.17 | D | | |
| | 1.1.18 | A | | |
| | 1.1.19 | A | | |
| | 1.1.20 | A | | |
| | | | (20 × 2) | (40) |
| 1.2 | 1.2.1 | True | | |
| | 1.2.2 | True | | |
| | 1.2.3 | False | | |
| | 1.2.4 | True | | |
| | 1.2.5 | True | | |
| | | | (5 × 2) | (10) |
| 1.3 | 1.3.1 | The overheads applied to the production process during the period | | |
| | 1.3.2 | The total overheads actually spent during the financial period | | |
| | 1.3.3 | The overheads that are provided for a future period | | |
| | 1.3.4 | The actual overheads are more than the allocated (applied) overheads | | |
| | 1.3.5 | The allocated (applied) overheads are more than the actual overheads | | |
| | | | (5 × 2) | (10) |
| | | | | [60] |

TOTAL SECTION A: 60

SECTION B**QUESTION 2****STOCK LEDGER CARD OF PHUTHI MANUFACTURERS: MATERIAL MT04 -
OCTOBER 2014**

2.1

| DATE | RECEIVED | | | ISSUED | | | BALANCE | | |
|------|----------|-------|-----------|--------|-------|--------|---------|-------|----------|
| | UNIT | PRICE | TOTAL | UNIT | PRICE | TOTAL | UNIT | PRICE | TOTAL |
| | | R | R | | R | R | | R | R |
| 1 | | | | | | | 75 | ✓7 | 525,00 |
| 2 | 100 | 8,00 | 80,00 | | | | 175 | 7,57 | 1 325,00 |
| 4 | | | | 50 | 7,57 | 378,50 | 125 | 7,57 | 946,50 |
| 5 | 200 | 11,00 | 2 200,00 | | | | 325 | 9,68 | 3 146,50 |
| 9 | | | | 60 | 9,68 | 580,80 | 265 | 9,68 | 2 565,20 |
| 24 | | | | 90 | 9,68 | 871,20 | 175 | 9,68 | 1 694,00 |
| 28 | 170 | 16,00 | 2 720,00 | | | | 345 | 12,79 | 4 412,55 |
| 30 | -100 | 16,00 | -1 600,00 | | | | 245 | 11,48 | 2 812,60 |

(29)

2.2 2.2.1 TOTAL PRODUCTION COST

Direct material (6 m × R8 × 200 tables)

= R9 600

Direct labour (2,5 × R12 × 200 tables)

= R6 000

Manufacturing overheads

= R3 200

= R18 800

(5)

2.2.2 TOTAL PRODUCTION COST PER UNIT

Total production cost divided by total units

= R18 800/200

= R94 per unit

(2)

2.3 Order size + safety stock

2

80 000 + 8 000

2

44 000 units

(5)

[41]

QUESTION 3**3.1 PRODUCTION REPORT OF QUARTZ LTD ON 31 JULY 2014**

| | |
|--|-----------------------|
| Budgeted labour hours (5 workers x 22 x 8) | 880 |
| Actual hours worked (107 x 8) | 856 |
| Deviation (unfavourable) hours | 24 |
| | |
| PRODUCTION | |
| Budgeted production | 350 |
| Actual production | 360 |
| Deviation (favourable) | 10 units |
| | |
| PRODUCTIVITY REPORT | |
| Budgeted hours per unit (880 hours/350 units) | 2,51 hour per unit |
| Actual hours per unit (856 hours/360 units) | 2,38 hours per unit |
| | |
| Although fewer total hours were recorded than budgeted hours, higher productivity was measured | |
| | 2,38 hours:2,51 hours |
| OR | |
| Less time than budgeted was spent per unit manufactured | |

(13)

3.2 **BALANCE SHEET OF VUVUNANI MANUFACTURERS ON 30 JUNE 2014**

| | | | |
|---------------------------|---------|---------|---------|
| CAPITAL USED | | | 320 500 |
| Ownership interest | | 272 700 | |
| Plus: Profit | | 54 300 | |
| Less: Drawings | | 6 500 | |
| | | | |
| UTILISATION OF CAPITAL | | | 320 500 |
| Fixed assets | | 300 000 | |
| Land and buildings | 175 000 | | |
| Vehicles | 80 000 | | |
| Equipment | 45 000 | | |
| | | | |
| Working capital | | | |
| Current assets | | 34 600 | |
| Trading stock | 8 600 | | |
| Debtors | 16 300 | | |
| Bank | 8 900 | | |
| Petty cash | 800 | | |
| | | | |
| Less: Current liabilities | | 14 100 | |
| Creditors | 14 100 | | |

(15)
[28]

QUESTION 4**4.1****RAW MATERIAL CONTROL**

| | | | | | | | | |
|-------|----------------|---------|---|-------|--------------------|---------|---|---|
| March | Balance b/d | 42 000 | ✓ | March | Production control | 185 600 | ✓ | ✓ |
| | Creditors | 310 000 | ✓ | | Balance c/d | 202 000 | ✓ | |
| | Bank (rallage) | 35 600 | ✓ | | | | | |
| | | 387 600 | | ✓ | | 387 600 | | |

(7)

4.2**LABOUR CONTROL**

| | | | | | | | | |
|-------|------|---------|---|-------|-------------------------|---------|---|-----|
| March | Bank | 296 000 | ✓ | March | Production control | 296 000 | ✓ | (5) |
| | Bank | 52 400 | ✓ | | Manufacturing overheads | 52 400 | ✓ | |
| | | 348 400 | | ✓ | | 348 400 | | |
| | | | | | | | | |

4.3**MANUFACTURING OVERHEADS CONTROL**

| | | | | | | | | |
|-------|----------------|---------|---|-------|--------------------|---------|---|------|
| March | Labour control | 52 400 | ✓ | March | Production control | 281 200 | ✓ | ✓ |
| | Rent | 72 000 | ✓ | | Cost of sales | 3 500 | ✓ | ✓ |
| | Insurance | 84 000 | ✓ | | | | | |
| | Maintenance | 56 400 | ✓ | | | | | |
| | Depreciation | 19 900 | ✓ | | | | | |
| | | 284 700 | | ✓ | | 284 700 | | (10) |

4.4**PRODUCTION CONTROL**

| | | | | | | | | |
|-------|----------------------|---------|---|-------|----------------|---------|---|-----|
| March | Balance b/d | 9 300 | ✓ | March | Finished goods | 763 750 | ✓ | ✓ |
| | Raw material control | 185 600 | ✓ | | Balance c/d | 8 350 | ✓ | |
| | Labour control | 296 000 | ✓ | | | | | |
| | Overheads control | 281 200 | ✓ | | | | | |
| | | 772 100 | | ✓ | | 772 100 | | (8) |

4.5**FINISHED GOODS CONTROL**

| | | | | | | | | |
|-------|--------------------|---------|---|-------|---------------|---------|---|-----|
| March | Balance b/d | 19 300 | ✓ | March | Cost of sales | 163 050 | ✓ | ✓ |
| | Production control | 763 750 | ✓ | | Balance c/d | 620 000 | ✓ | |
| | | 783 050 | | ✓ | | 783 050 | | (6) |

4.6

COST OF SALES

| | | | | | | | |
|-------|-------------------|---------|---|-------|-----------------|---------|---|
| March | Finished goods | 163 050 | ✓ | March | Trading account | 166 550 | ✓ |
| | Overheads control | 3 500 | ✓ | | | | |
| | | | | | | | |

(3)

4.7 284 700 – 281 200

= 3 500 units

Underrecovered

(2)

[41]**QUESTION 5**

5.1 8 hours

5.2 7 hours

5.3 8 hours

5.4 8 hours

5.5 6 hours

5.6 5 hours

5.7 3 hours

5.8 37 hours

5.9 R444

5.10 5 hours

5.11 R15

5.12 R75

5.13 3 hours

5.14 R24

5.15 R72

5.16 R591

5.17 R559,92

5.18 R5,91

5.19 R67,19

5.20 R3,11

5.21 R35,52

5.22 R131,73

5.23 R428,19

[30]

TOTAL SECTION B: 140
GRAND TOTAL: 200