



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

This marking guideline consists of 7 pages.

INTERNAL MODERATOR
02/12/2016

MARKER
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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 | A | | |
| | 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

2.1 STOCK LEDGER CARD OF PHUTHI MANUFACTURERS: MATERIAL MT04 - OCTOBER 2014

| 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 | 800,00✓ | | | | 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✓ | 2 812,55✓✓ |
| | | | | | | | | | |

(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

$$\frac{80\ 000✓ + 8\ 000✓}{2} = \frac{88\ 000✓}{2}$$

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 | | | |
| Ownership interest | | | 320 500✓ |
| Plus: Profit | | 272 700✓ | |
| Less: Drawings | | 54 300✓ | |
| | | 6 500✓ | |
| UTILISATION OF CAPITAL | | | |
| Fixed assets | | | 320 500✓ |
| Land and buildings | | 300 000✓ | |
| | 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 (railage) | 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 | ✓ | | | | | (10) |
| | Maintenance | 56 400 | ✓ | | | | | |
| | Depreciation | 19 900 | ✓ | | | | | |
| | | 284 700 | | ✓ | | 284 700 | | |

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 | ✓ | | | | | (8) |
| | Overheads control | 281 200 | ✓ | | | | | |
| | | 772 100 | | ✓ | | 772 100 | | |

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 R555,48✓✓
- 5.18 R4,44✓✓
- 5.19 R67,19✓✓
- 5.20 R31,08✓
- 5.21 R35,52✓
- 5.22 R138,23✓✓
- 5.23 R452,77✓✓

[30]

TOTAL SECTION B: 140
GRAND TOTAL: 200