higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

COST AND MANAGEMENT ACCOUNTING N5

22 JUNE 2018

This marking guideline consists of 7 pages.

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SECTION A

QUESTION 1

1.1	1.1.1	A
	1.1.2	B
	1.1.3.	A
	1.1.4	A
	1.1.5	A
	1.1.6	C
	1.1.7	B
	1.1.8	A
	1.1.9	B
	1.1.10	B
	1.1.11	C
	1.1.12	D
	1.1.13	C
	1.1.14	B
	1.1.15	C
	1.1.16	A
	1.1.17	C
	1.1.18	C
	1.1.19	D
	1.1.20	A

(20 × 2) (40)

1.2	1.2.1	True
	1.2.2	True
	1.2.3	True
	1.2.4	False
	1.2.5	True
	1.2.6	False
	1.2.7	False
	1.2.8	True
	1.2.9	True
	1.2.10	True

(10 × 2) (20)
[60]

TOTAL SECTION A: 60

SECTION B

QUESTION 2

2.1	2.1.1	8 hours✓	
	2.1.2	8 hours✓	
	2.1.3	8 hours✓	
	2.1.4	8 hours✓	
	2.1.5	6 hours✓	
	2.1.6	4 hours✓	
	2.1.7	3 hours✓	
	2.1.8	38 hours✓	
	2.1.9	R570,00✓	
	2.1.10	R18,75✓✓	
	2.1.11	R75,00✓	
	2.1.12	R30,00✓	
	2.1.13	R90,00✓✓	
	2.1.14	R735,00✓	
	2.1.15	R683,70✓	
	2.1.16	R5,70✓✓	
	2.1.17	R68,37✓	
	2.1.18	R4,56✓	
	2.1.19	R51,30✓	
	2.1.20	R129,93✓	
	2.1.21	R605,07✓✓	
			(25)

2.2	2.2.1	Fixed cost per unit = 400 000,00/200 000,00 = R2,00 per unit	(2)
	2.2.2	R400 000,00	(2)
	2.2.3	Variable cost per unit = R40 000,00/R2 000,00 = R20,00 ✓ Variable cost = R4 000,00 × R20,00✓ = R80 000,00✓	(3)
	2.2.4	Fixed cost = R400 000,00 Add: Variable cost (R5 000,00 × R20,00) = R100 000,00 Total cost = R500 000,00	(3)
			[35]

QUESTION 3

3.1

Dr		**MATERIALS CONTROL ACCOUNT**			**Cr**
Balance	b/d	✓400 000	Production control		✓170 000
Creditors control		✓202 000	Manufacturing overheads		✓29 000
			Balance	c/d	✓43 000
		242 000			242 000
Balance	b/d	✓43 000			

(6)

3.2

Dr		**PRODUCTION CONTROL ACCOUNT**			**Cr**
Balance	b/d	✓50 000	Finished goods		✓650 000
Material control		✓170 000	Balance	c/d	✓112 500
Labour control		✓350 000			
Manufacturing overheads		✓192 500			
		762 500			762 500
Balance	b/d	✓112 500			

(7)

3.3

Dr		**FINISHED GOODS ACCOUNT**			**Cr**
Balance	b/d	✓60 000	Cost of sales		✓570 000
Production control		✓650 000	Balance	c/d	✓140 000
		710 000			710 000
Balance	b/d	✓140 000			

(5)

3.4

Dr	**MANUFACTURING OVERHEADS CONTROL ACCOUNT**				**Cr**
Material control		✓24 000	Production control		✓✓192 500
Indirect labour		✓64 000			
Depreciation on factory		✓22 000			
Cost of sales		✓77 500			
		192 500			✓192 500

(7)
[25]

QUESTION 4

4.1 4.1.1 Order point = maximum usage × maximum period✓

= (250 000/50) ✓✓ × 2✓

= 10 000 square metres✓ (5)

4.1.2 EOQ = $\frac{2 \times \text{annual consumption} \times \text{order cost}}{\text{holding cost}}$✓

= $\frac{2 \times (250\,000 \times 15)}{(10 \times 120/100)}$ ✓✓✓ ✓✓

= 7 500 000/12

= 790,57 square metres✓ (7)

4.1.3 Maximum stock = order point + EOQ - (minimum usage x minimum period)✓
= 10 000 + 790,57 - [(115 000/50) × 1]✓✓✓
= 10 790,57 – 2 300
= 8 490,57 square metres✓ (5)

4.2 **STOCK LEDGER CARD OF CELLPHONE MANUFACTURERS: MATERIAL CD01**

DATE	RECEIPTS			ISSUES			BALANCE		
	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL
		R	R		R	R		R	R
1							75	7,00	525,00
2	100	8	✓800				175	✓7,57	✓1 325,00
4				50	7,57	✓378,50	125	7,57	✓946,50
6	200	11	✓2 200				325	✓9,68	✓3 146,50
9				60	9,68	✓580,80	265	9,68	2 565,70
24				90	9,68	✓871,20	175	9,68	✓1 694,50
28	170	16	✓2 720				345	✓12,80	✓4 414,50
30	✓(100)	16	✓(1 600)				245	✓11,49	✓2 814,50

(18)
[35]

QUESTION 5

5.1 **PRODUCTION COST STATEMENT OF BOOTH MANUFACTURERS FOR THE YEAR ENDED 29 FEBRUARY 2016**

Direct material		
Opening stock	✓57 000	
Add: Purchases	✓250 000	
Material available for use	✓307 000	
Closing stock	✓ (43 000)	
Material used for the year		✓264 000
Direct labour		✓70 000
Prime cost		✓334 000
Manufacturing overheads recovered		✓184 800
Indirect labour	✓44 000	
Insurance of factory	✓42 000	
Electricity for factory	✓48 600	
Rent of factory premises	✓26 400	
Depreciation of factory	✓32 800	
Cost of sales	✓✓ (9 000)	
Total cost of production		✓518 800
Add: Work in process - opening		✓43 000
		✓561 800
Less: Work in process - closing		✓ (22 300)
Cost of production of finished goods		✓✓543 500

(20)

5.2 **INCOME STATEMENT OF BOOTH MANUFACTURERS FOR THE YEAR ENDED 29 FEBRUARY 2016**

Sales		✓840 000
Cost of sales		✓(560 500)
Opening stock of finished goods	✓56 000	
Add: Cost of production	✓539 500	
Add: Underrecovery of manufacturing overheads	✓9 000	
Stock available of finished goods	✓44 000	
Gross profit		✓279 500
Less: Other expenses		✓(52 000)
Administrative marketing cost		✓(35 000)
Net profit		✓192 500

(10)
[30]

QUESTION 6

6.1 6.1.1 Predetermined rate = $\frac{\text{Budgeted production overheads}}{\text{Budgeted direct labour cost}} \times \frac{100}{1}$✓

$= \frac{200\,000}{200\,000} \times \frac{100}{1}$✓

= 100% direct labour✓

6.1.2 Predetermined rate = $\frac{\text{Budgeted production overheads}}{\text{Budgeted machine hours}}$✓

$= \frac{200\,000}{40\,000}$✓

= R5,00 per machine hour✓

(2 × 3) (6)

6.2 Direct labour cost = R250 000,00 × 100%✓✓
= R250 000,00✓

Machine hours = R5,00 × 50 000✓✓
= R250 000,00✓ (6)

6.3 Under-/Overrecovery = Applied manufacturing overheads – Actual manufacturing overheads✓
= R250 000,00 – R230 000,00✓
Overrecovery = R20 000,00✓ (3)
[15]

TOTAL SECTION B: 140
GRAND TOTAL: 200

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