higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

COST AND MANAGEMENT ACCOUNTING N5

14 JUNE 2019

This marking guideline consists of 8 pages.

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SECTION A

QUESTION 1

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

(20 × 2) (40)

1.2	1.2.1	E
	1.2.2	D
	1.2.3	F
	1.2.4	G
	1.2.5	B

(5 × 2) (10)

1.3	1.3.1	True
	1.3.2	False
	1.3.3	False
	1.3.4	True
	1.3.5	True

(5 × 2) (10)
[60]

TOTAL SECTION A: 60

SECTION B

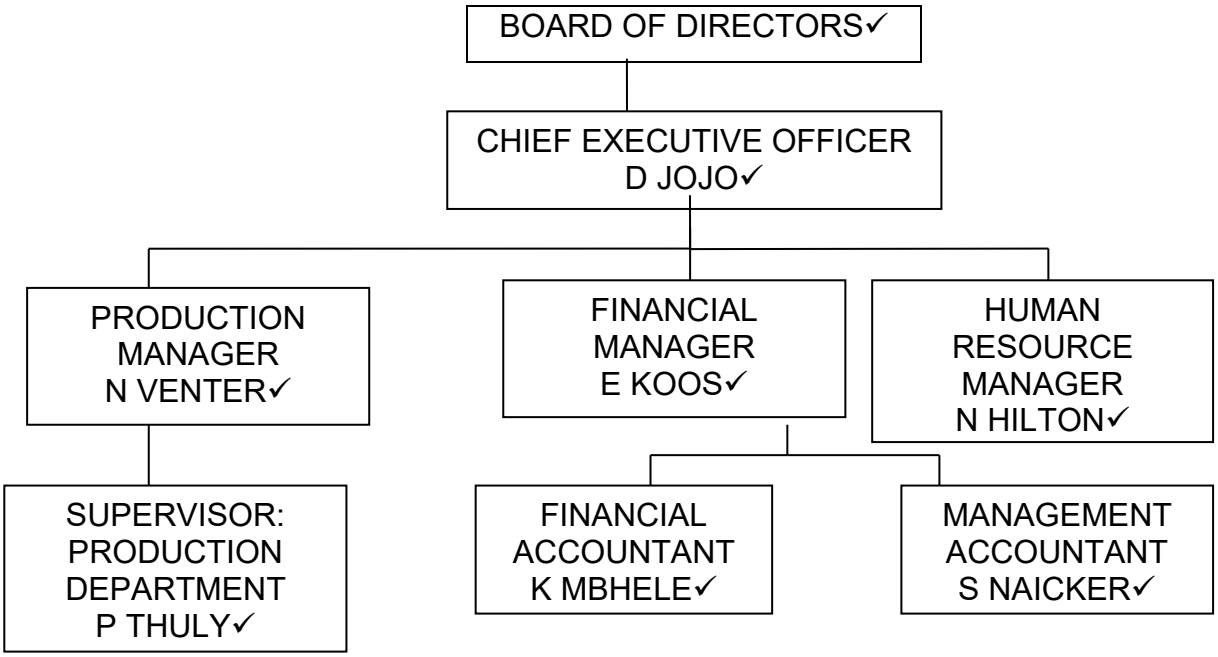
QUESTION 2

2.1

2.1.1	1 350
2.1.2	1 350
2.1.3	3 000
2.1.4	3 000
2.1.5	4 000
2.1.6	4 000
2.1.7	1 000
2.1.8	1 000
2.1.9	5 000
2.1.10	7 000
2.1.11	2 400
2.1.12	5 600
2.1.13	4 500
2.1.14	7 500
2.1.15	10 000
2.1.16	14 000
2.1.17	15 900
2.1.18	25 250
2.1.19	R6,23
2.1.20	R10,60

(20 × 1) (20)

2.2



(8)
[28]

QUESTION 3

3.1 3.1.1 Order point = Maximum usage of material × maximum order period✓

= (90 000 × 2 m^2)/50 × 3✓✓✓✓

= 10 800 m^2✓ (6)

3.1.2 $$EOQ = \sqrt{\frac{2 \times \text{annual consumption of material} \times \text{ordercost}}{\text{Holding cost of one unit per year}}}$$ ✓

= $\frac{2 \times (90\,000 \times 2) 180\,000\ m^2 \times R65}{(850 \times 10\%) = R85,00}$✓✓✓✓✓✓

= 525,68 or 525 m^2✓✓ (9)

3.1.3 Maximum stock = Order point + EOQ – (Minimum usage × Minimum order period) ✓
= 10 800 + 525 – (75 000/50) × 2 ✓✓✓

= 8 325 units (5)

3.2 3.2.1 Production Report of Bimbos Ltd 30 November 2016

Budgeted labour hours (3 workers × 21 × 8)	504✓✓
Actual hours worked (352 + 144+)✓✓✓	496✓✓
Variance (favourable)	08✓
Production:	
Budgeted production	100✓
Actual production	100✓
Variance	0✓
Productivity report	
Budgeted time per unit (504/100 × 60)	5,04 hours per unit✓✓ or 302,40 min
Actual time used per unit (496/100 × 60)	4,96 hours per unit✓✓ or 297,60 min

(15)

3.2.2
- The worker is unskilled or not well trained.
- He or she is lazy and not motivated to perform to perform well.
- There is no incentive to be more productive.
- The task may be unchallenging and boring.
- The work is too physically demanding to be kept up for eight hours.
- The standard or required productivity level is too high.

(Any 2 × 2) (4)

3.2.3
- Poor working conditions e.g. High noise level, bad lighting or ventilation.
- Political factors such uncertainty about employment, political unrest and instability.
- High temperatures or humidity.
- Working long hours, causing tiredness and low productivity.
- Distance from work/poor housing and living conditions.

(Any 2 × 2) (4)
[43]

QUESTION 4

4.1

Dr		Raw Materials a/c			Cr
Balance	b/d	✓70 000	Production control		✓✓735 000
Creditors control		✓770 000	Manufacturing o/heads		✓25 000
			Material returned/ creditors control		✓30 000
			Balance	c/d	✓50 000
		✓840 000			840 000
Balance	b/d	50 000			

(8)

4.2

Dr		Production Control a/c			Cr
Balance	b/d	✓51 000	Finished goods		✓✓2 253 500
Labour control		✓1 005 000	Balance	c/d	✓40 000
Raw materials control		✓735 000			
Manufacturing O/heads		✓502 500			
		✓2 293 500			2 293 500
Balance	b/d	40 000			

(8)

4.3

Dr		Finished goods			Cr
Balance	b/d	✓37 000	Cost of sales		✓✓2 263 400
Production control		✓2 253 500	Balance	c/d	✓27 100
		2 290 500			2 290 500
Balance	b/d	7 100			

(5)

4.4

Dr	Cost of Sales		Cr
Finished goods	✓2 263 400	Trading account	✓2 287 900
Manufacturing o/heads	✓24 500		
	2 287 900		2 287 900

(3)

4.5

Dr	Manufacturing O/heads a/c		Cr
Raw material control	✓25 000	Production control	✓✓502 500
Production supervisor salaries	✓92 000	Cost of sales	✓24 500
Depreciation on plant and machine	✓70 000		
Plant and machinery maintenance	✓110 000		
Plant: water and electricity	✓150 000		
Production equipment rent	✓80 000		
	✓527 000		527 000

(10)

4.6

Dr	Trading A/c		Cr
Cost of sales	✓2 287 900	Sales	✓3 357 000
Profit and loss a/c	✓1 069 100		
	3 357 000		3 357 000

(3)

4.7

Dr	Profit and loss a/c		Cr
Administrative salaries	✓130 000	Trading a/c	✓1 069 100
Depreciation on office equipment	✓90 000		
Office equipment rent	✓63 000		
Office maintenance	✓30 000		
Sales commission	✓40 000		
Capital a/c	✓716 100		
	1 069 100		1 069 100

(7)
[44]

QUESTION 5

5.1

DIRECT MATERIAL		
Opening stock		✓85 000
Purchases		✓555 000
Material available for use		✓645 000
Less: Returns		✓(15 000)
Closing stock		✓ (45 000)
Direct material issued		585 000
Add: Direct labour		✓440 000
Prime cost		✓1025 000
Manufacturing overhead recovered		✓656 000
Factory rent	✓146 000	
Salary: Production Manager	✓236 000	
Indirect material	✓88 000	
Depreciation on factory equipment	✓45 000	
Actual manufacturing overheads	✓515 000	
Add: Over-recovered overheads	✓✓141 000	
Production cost		✓1 681 000
Add: Work in progress-opening		✓44 000
		✓1725 000
Less: Work in progress-closing		✓(32 000)
Cost of production of finished goods		**✓1 693 000**

(20)

5.2

Opening balance: Finished goods	✓36 000
Add: Cost of production	✓1 693 000
Less: Over-recovery o/heads	✓(141 000)
Finished goods available for sale	1 588 000
Less: Stock of finished goods	✓(18 000)
	✓**1 570 000**

(5)
[25]

TOTAL SECTION B: 140
GRAND TOTAL: 200

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