higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

NOVEMBER EXAMINATION

COST AND MANAGEMENT ACCOUNTING N5

26 NOVEMBER 2014

This marking guideline consists of 8 pages.

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QUESTION 1

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

(20 × 2) (40)

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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]

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QUESTION 2

2.1

RAW MATERIAL CONTROL									
March	Balance	42 300.00	✓		March	Production control	18 600.00	✓	
	Creditors	165 400.00	✓			Balance	191 600.00	✓	✓
	Bank	2 500.00	✓						
		210 200.00							
				✓					

(7)

2.2

PRODUCTION CONTROL								
March	Balance	12 200.00	✓		March	Finished goods	218 000.00	✓	
	Raw material control	18 600.00	✓			Balance c/d	9 800.00	✓	✓
	Labour control	98 500.00	✓						
	Overheads control	98 500.00	✓						
		227 800.00		✓		227 800.00			

(8)

2.3

MANUFACTURING OVERHEADS CONTROL									
March	Labour control	130 000.00	✓		March	Production control	98 500.00	✓	✓
	Insurance	28 400.00	✓			Cost of sales	154 690.00	✓	✓
	Rent	63 500.00	✓						
	Maintenance	2 890.00	✓						
	Depreciation	28 400.00	✓						
		253 190.00		✓			253 190.00		

(10)

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2.4

LABOUR CONTROL								
March	Bank	98 500.00	✓		March	Production control	98 500.00	✓
	Bank	130 000.00	✓			Manufacturing overheads	130 000.00	✓
		228 500.00		✓			228 500.00	

(5)

2.5

FINISHED GOODS									
March	Balance	6 400.00	✓		March	Control of sales	130 000.00	✓	
	Production control	218 000.00	✓			Balance c/d	94 400.00	✓	✓
		224 400.00	✓				224 400.00		(6)

2.6

COST OF SALES								
March	Finished goods	130 600.00	✓		March	Trading Account	285 290.00	✓
	Manufacturing	154 690.00	✓	✓				
		285 290.00	✓				285 290.00		(5)

2.7

TRADING ACCOUNT									
March	Cost of sales	285 290.00	✓		March	Sales	380 200.00		✓
	Gross profit	94 910.00	✓	✓					
		380 200.00	✓				380 200.00		(5)

[46]

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QUESTION 3

3.1 3.1.1 PRODUCTION UNIT METHOD

$$\frac{6\,400}{45\,000} \times \frac{235\,600}{1} \checkmark\checkmark$$

33 507.56 ✓✓ (4)

3.1.2 DIMINISHING BALANCE METHOD

235 600 - (10% × 235 600 ✓

235 600 - 23 560 ✓✓

212 040 ✓✓ (5)

3.1.3 235 600 × 10% ✓

23 560 ✓✓ (3)

3.2 3.2.1 $\frac{2 \times \text{annual consumption} \times \text{cost of placing an order}}{\text{The cost to hold one unit of material per year}}$ ✓

$$\frac{2 \times (62\,500 \times 6) \times 95}{(140 \times 10\%)} \checkmark\checkmark$$

$$\frac{2 \times 375\,000 \times 95}{14} \checkmark\checkmark$$

$$\frac{71\ 250\,000}{14} \checkmark\checkmark$$

2 256.00 ✓✓✓ (10)

3.2.2 Maximum order period × Maximum use ✓
8 × (1 300 × 6) ✓✓
62 400 ✓✓ (5)

3.2.3 Order point + EOQ - (Minimum use × Minimum order period) ✓
62 400 + 2 256 - (800 × 6 × 3) ✓✓
50 256 ✓✓ (5)

3.2.4
- When out of stock ✓✓
- The cost of placing an order ✓✓
- The cost of holding stock ✓✓
- How long does it take for the order to be delivered ✓✓

(Any other relevant answer) (4 × 2) (8)

[40]

QUESTION 4

4.1 **PRODUCTION COST STATEMENT OF ZAZA MANUFACTURERS ON 28 FEBRUARY 2014**

Opening stock	56 000.00		✓
Plus: Purchases	250 000.00		✓
Stock available for use	306 000.00		✓✓
Less: Closing stock	43 000.00		✓
Material used during the year		263 000.00	✓✓
Direct labour		58 000.00	✓
Prime cost		321 000.00	✓
Manufacturing overheads recovered		34 800.00	✓✓
Insurance	42 000.00		✓
Indirect labour	98 000.00		✓
Electricity factory	48 600.00		✓
Rent for factory	26 400.00		✓
Depreciation	32 800.00		✓
Actual manufacturing overheads	247 800.00		✓
Total cost of production		355 800.00	✓✓
Add: Work in process		43 000.00	✓
		398 800.00	✓
Less: Work in process (28 Feb 2014)		22 300.00	✓
Cost of production of finished goods		376 500.00	✓✓

(24)

4.2 Labour turnover

$$\frac{\text{Workers newly appointed}}{\text{Average number of workers employed}} \quad ✓ \quad ✓$$

$$\frac{95 \times 100}{1600} \checkmark\checkmark$$

5.94 ✓✓ (6)

4.3 Budgeted direct labour costs
72 000 × 22 ✓✓
1 584 000.00 ✓✓

Over recovered = Budgeted - Actual ✓
1 584 000 - 850 000 ✓✓
734 000 ✓✓ (9)

[39]

QUESTION 5

WAGE STATEMENT OF ROCKS TRADERS										
EMPLOYEES	GROSS SALARY		PENSION		UIF				NET SALARY	
P NONG	6 300.00	✓	346.50	✓	63.00	✓	1 488.38	✓	4 402.13	✓
D VAN ECK	4 300.00	✓	236.50	✓	43.00	✓	1 015.88	✓	3 004.63	✓
R RANDEL	3 200.00	✓	176.00	✓	32.00	✓	756.00	✓	2 236.00	✓

[15]

TOTAL: 200

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