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.

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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

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	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 $\frac{\text{Order size + safety stock}}{2}$

$\frac{80\,000 + 8\,000}{2}$

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 (railage)	35 600	✓					
		387 600		✓		387 600		(7)

4.2 **LABOUR CONTROL**

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

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)

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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

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