



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

COST AND MANAGEMENT ACCOUNTING N6

21 NOVEMBER 2018

This marking guideline consists of 7 pages.

QUESTION 1

1.1	1.1.1	variable cost		
	1.1.2	increase		
	1.1.3	Overapplied		
	1.1.4	capital		
	1.1.5	uncertified		
			(5 × 2)	(10)
1.2	1.2.1	It is the break-even point✓ where the company has reached the equilibrium point, meaning that it is not making a profit or a loss.✓✓✓		(4)
	1.2.2	(a) Total sales line (b) Fixed cost line (c) Total cost line		
			(3 × 2)	(6)
1.3	1.3.1	Production control		
	1.3.2	Material control		
	1.3.3	Production control		
	1.3.4	Labour control		
	1.3.5	Material control		
	1.3.6	Creditors control		
	1.3.7	Production control		
	1.3.8	Applied overheads		
			(8 × 2)	(16)
1.4	1.4.1	R150 000,00		(2)
	1.4.2	15 000 hours		(2)
	1.4.3	(SR – AR)AT = (50✓ – 45✓)14 500✓ = (5)14 500✓ = 72 500✓ favourable✓		(6)
1.5	1.5.1	B		
	1.5.2	B		
			(2 × 2)	(4)
				[50]

QUESTION 2

2.1

JOB CARD: JOB XXX1

Balance	105 500✓
Material cost	105 000✓
Labour cost	85 000✓
Applied overheads (15 × 6000)	90 000✓
Total cost	R280 000✓

(5)

2.2

JOB COSTING STATEMENT

	JOB XXX2	JOB XXX3
Balance b/d	69 600✓	71 625✓
Material	52 000✓	76 000✓
Labour cost	36 000✓	55 000✓
Applied overheads	105 000✓	120 000✓
Production cost	193 000✓	251 000✓
Selling and marketing cost	2 200✓	2 200✓
Total cost	195 200✓	217 200✓
Profit	259 800✓	302 800✓
Selling price	455 000✓	520 000✓

(18)

2.3

PRODUCTION CONTROL ACCOUNT

Balance b/d	246 725✓	Finished goods✓	970 725✓
Material control	233 000✓		
Labour control	176 000✓		
Applied overheads	315 000✓		
	970 725		970 725✓

(7)
[30]

QUESTION 3

3.1

CONTRACT ACCOUNT OF BUITUMELO

Material issued	350 000✓	Certified work	1 800 000✓
Wages	400 000✓	Uncertified work	750 000✓
Depreciation	265 000✓		
Material received	160 000✓		
Retention money	100 000✓		
Profit and loss	1 275 000✓		
	2 550 000		2 550 000

(8)

3.2 Buphelo % of completion

$$\begin{aligned} \text{\% of completion} &= \frac{\text{Certified work}}{\text{Total contract price}} \times \frac{100}{1} \\ &= \frac{1\,000\,000\checkmark}{(2\,500\,000\checkmark + 50\,000\checkmark)} \times \frac{100}{1} \\ &= 39\% \checkmark \end{aligned}$$

Buitumelo % of completion

$$\begin{aligned} \text{\% of completion} &= \frac{\text{Certified work}}{\text{Total contract price}} \times \frac{100}{1} \\ &= \frac{1\,800\,000\checkmark}{(3\,600\,000\checkmark + 75\,000\checkmark)} \times \frac{100}{1} \\ &= 49\% \text{ or } 48,97\% \checkmark \end{aligned}$$

(8)

3.3 $\text{\% of completion} \times \frac{\text{estimated profit}}{1} \times \frac{\text{cash received}}{\text{certified work}}$

$$\begin{aligned} &= 39\% \checkmark \times \frac{1\,925\,000^* \checkmark \checkmark \checkmark}{1} \times \frac{1\,700\,000\checkmark}{1\,800\,000\checkmark} \\ &= R709\,041,66 \checkmark \checkmark \end{aligned}$$

$$*(3\,600\,000 + 75\,000) - 1\,750\,000$$

(8)

3.4 $R709\,041,66 \checkmark \checkmark - R106\,356,24^* \checkmark \checkmark$
 $= R602\,685,42 \checkmark \checkmark$

$$\begin{aligned} &*709\,041,66 \times 15\% \\ &= 106\,356,24 \end{aligned}$$

(6)

[30]

QUESTION 4

$$\begin{aligned} 4.1 \quad & (SP - AP)AQ \\ & = (6,50\checkmark - 7,00\checkmark)600\checkmark \\ & = (0,50)600 \\ & = 300\checkmark \text{ Unfavourable}\checkmark \end{aligned}$$

$$\begin{aligned} 4.2 \quad & (SQ - AQ)SP \\ & = [(2,75 \times 190)\checkmark - 450\checkmark] 6,5\checkmark \\ & = (522,50 - 450) 6,5 \\ & = (72,50)6,5 \\ & = 471,25\checkmark \text{ Favourable}\checkmark \end{aligned}$$

$$\begin{aligned} 4.3 \quad & (SR - AR)AT \\ & = (5,85\checkmark - 9\checkmark)400\checkmark \\ & = (3,15)400 \\ & = 1\,260\checkmark \text{ Unfavourable}\checkmark \end{aligned}$$

$$\begin{aligned} 4.4 \quad & (ST - AT)SR \\ & = (380\checkmark - 400\checkmark)5,85\checkmark \\ & = (20)5,85 \\ & = 117\checkmark \text{ Unfavourable}\checkmark \end{aligned}$$

$$\begin{aligned} 4.5 \quad & BFO - AFO \\ & = (43\,000\checkmark - 42\,300\checkmark) \\ & = 700\checkmark\checkmark \text{ Favourable}\checkmark \end{aligned}$$

$$\begin{aligned} 4.6 \quad & (SR - AR) AT \\ & = (128,33^*\checkmark - 95^*\checkmark) 400\checkmark \\ & = (33,33) 400 \\ & = 13\,332\checkmark \text{ Favourable}\checkmark \end{aligned}$$

$$**SR = 38\,500/300 = 128,33$$

$$**AR = 38\,000/400 = 95$$

(6 × 5) **[30]**

QUESTION 5

5.1

INCOME STATEMENT- DIRECT METHOD

Sales (300 × 1 000)	300 000✓
Less: variable cost	(99 500)
Direct material	22 500✓
Direct labour	30 000✓
Variable manufacturing overheads	15 000✓
Variable selling and administrative cost	32 000✓
= Marginal income	200 500✓
Less: Fixed costs	(37 500)
Manufacturing overheads	12 500✓
Selling and administrative cost	25 000✓
= Net income	163 000✓✓

(10)

5.2

5.2.1 $BEQ = \frac{TFC}{MI/U}$ ✓

$= 10\ 000 \div 8$ ✓
 $= 1\ 250$ units ✓✓

(5)

5.2.2 $BEV = BEQ \times SP/U$ ✓
 $= 1\ 250 \times 20$ ✓
 $= 25\ 000$ ✓✓

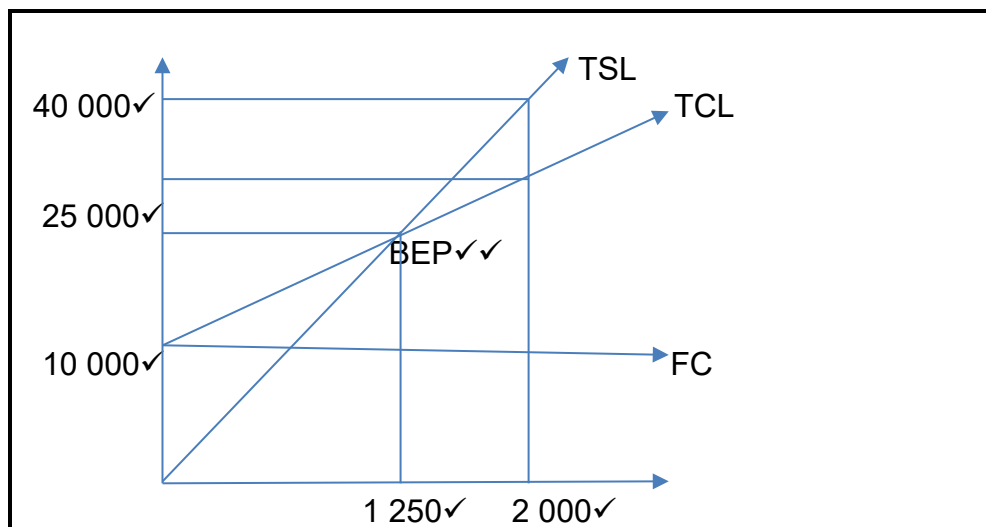
(5)

5.2.3 Sales – Break-even value:

$40\ 000 - 25\ 000$ ✓
 $= 15\ 000$ ✓

(3)

5.3



(7)

[30]

QUESTION 6

6.1 6.1.1

CASH SALES

	JUNE	JULY	AUGUST
June (550 000 × 20%)	110 000✓		
July (600 000 × 20%)		120 000✓	
August (650 000 × 20%)			130 000✓

(3)

6.1.2

CASH RECEIVED FROM DEBTORS

	JUNE	JULY	AUGUST
March 320 000			
April 360 000	72 000✓		
May 400 000 ✓	100 000✓	80 000✓	
June 440 000	220 000✓	110 000✓	88 000✓
July 480 000		240 000✓	120 000✓
August 520 000			260 000✓
Total	392 000✓	430 000✓	468 000✓

(13)

- 6.2 6.2.1 R140 000
 6.2.2 R280 000
 6.2.3 R177 500
 6.2.4 R284 000
 6.2.5 R937,50
 6.2.6 R1 200

(6 × 1) (6)

6.3

PRODUCTION BUDGET

	MOUSES	KEYBOARDS
Expected sales in units	5 000✓	3 000✓
Add: Closing stock	2 750✓	1 950✓
Total needs	7 750	4 950
Less: Opening stock	2 500✓	1 800✓
Units to be produced	5 250✓	3 150✓

(8)

[30]**TOTAL: 200**