

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

**HOME SCHOOLING SELF-STUDY QUESTIONS AND ANSWER BOOK**

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| **SUBJECT** | **ACCOUNTING** | **GRADE** | 11 | **DATE** | 29 April 2020 |
| **TOPIC** | **Cost Accounting (Manufacturing)** |  **Term 2** |
| **TIME ALLOCATION** | **1 Hour** | **TIPS TO KEEP HEALTHY**1. **WASH YOUR HANDS** thoroughly with soap and water for at least 20 seconds. Alternatively, use hand sanitizer with an alcohol content of at least 60%.2. **PRACTICE SOCIAL DISTANCING** – keep a distance of 1m away from other people.3. **PRACTISE GOOD RESPIRATORY HYGIENE**: cough or sneeze into your elbow or tissue and dispose of the tissue immediately after use.4. **TRY NOT TO TOUCH YOUR FACE.** The virus can be transferred from your hands to your nose, mouth and eyes. It can then enter your body and make you sick. 5. **STAY AT HOME.**  |
| **INSTRUCTIONS** | **See Required**  |

**QUESTION 2: (45 MARKS ; 60 MINUTES)**

**CONCEPTS, LEDGER ACCOUNTS AND INTERPRETATIONS**

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| **2.1** | **COST CONCEPTS** |  |
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|  | **REQUIRED:** |  |
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|  | **Match the description in COLUMN B with the concept in COLUMN A. Write only the letter (A-F) next to the question number (2.1.1–2.1.5) in the ANSWER BOOK.** | (5) |
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| **COLUMN A** | **COLUMN B** |
| 2.1.1 Direct labour cost2.1.2 Sales and distribution cost2.1.3 Administrative cost2.1.4 Fixed cost2.1.5 Indirect labour | A Salary of the foremanB Wages for employees directly involved in the production of goods. C Electricity expense of the office D Advertising costs E Raw materials purchased F Factory overhead cost |

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| **2.2** | **LEDGER ACCOUNTS**Mickey mouse Manufacturers manufactures track suits. Their fanancial year ends on the last day of February every year.  |  |
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|  | **REQUIRED:**Prepare the following ledger account on 28 February 2019. Balance the accounts at the end of the financial year.  |  |
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|  | 2.2.1 | Work-in-progress stock account | (6) |
|  |  |  |  |
|  | 2.2.2 | Finished goods stock account | (6) |
|  |  |  |  |
|  | 2.2.3 | Factory overhead cost account  | (16) |

**INFORMATION:**

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| **1.** | **Balances of stock on 1 March 2018:** |  |
|  |  |  |
|  | Work-in-progress stock | 105 500 |
|  | Finished goods | 130 000 |
|  | Consumable stores  | 17 200 |
|  |  |  |
| **2.** | **Balances of stock on 28 February 2019:** |  |
|  |  |  |
|  | Work-in-progress stock | ? |
|  | Finished goods | 60 700 |
|  | Consumable stores | 21 900 |
|  |  |  |
| **3.** | **Transactions for the year ended 28 February 2019:** |  |
|  | Raw materials issued for production  | 513 000 |
|  |  |  |
|  | Cash purchases of consumable stores | 88 100 |
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|  | Wages paid to workers in the manufacturing process | 468 800 |
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|  | Salary paid to the factory foreman | 117 000 |
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|  | Rent (must be distributed between the different departments according to floor space. The factory concist of 800m2 of the total floor space of 1 200 m2.) |  123 000 |
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|  | Water and electricity (must be divided between the factory and administrative offices in the ratio 4 : 1) | 27 500 |
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|  | Maintenance paid for the factory, R42 000 (a further R11 000 is still payable) | ? |
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|  | Sales expenses | 112 000 |
|  |  |  |
|  | Advertising | 457 789 |
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|  | Depreciaiton for the factory | 67 500 |
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|  | **Additional information** |  |
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|  | Total sales for the year (profit mark-up is 25%) | 1 880 000 |
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|  | The factory uses 70% of all the consumable stores  | ? |

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| **2.3** | **UNIT COSTS****TAILOR SHOP** |  |
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|  | This business produced 17 350 vetkoeks for the year ended 30 June 2019. |  |
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|  | **REQUIRED:** |  |
|  |  |  |  |
|  | 2.3.1 | Calculate the direct material cost per unit for 2019.  | (3) |
|  |  |  |  |
|  | 2.3.2 | Calculate the break-even point for the year ended 30 June 2019.  | (4) |
|  |  |  |  |
|  | 2.3.3. | Should the business be satisfied with the number of units that they currently produce? Explain briefly.  | (3) |
|  |  |  |  |
|  | 2.3.4 | The direct labour cost per unit for 2018 amounted to R5,20. Give TWO methods how the business can use to decrease this cost in the future. | (2) |
|  | **INFORMATION** |  |
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|  | The following information is extracted from the books:  |  |
|  |  |  |  |
|  |  | **TOTAL** | **PER UNIT** |  |
|  | Sales | ? | R25,50 |  |
|  | Total variable cost | R102 375 | R9,30 |  |
|  | Total fixed cost | R307 800 | R8,90 |  |
|  | Direct labour cost | ? | R7.30 |  |
|  | Direct material cost | R83 280 | ? |  |
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|  |  |  | **45** |
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**QUESTION 2**

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| **2.1** | **Match the description in COLUMN B with the concept in COLUMN A.** |  |  |
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|  |  | 2.1.1 |  |  |  |  |
|  |  | 2.1.2 |  |  |  |  |
|  |  | 2.1.3 |  |  |  |  |
|  |  | 2.1.4 |  |  |  |  |
|  |  | 2.1.5 |  |  |  |  |
|  |  |  | **5** |

**2.2** **GENERAL LEDGER OF NEW WILD LIFE MANUFACTURERS**

**2.2.1 WORK-IN-PROGRESS**

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| **2018****Mar** | **1** | **Balance**  | **b/d** | **104 500** |  |  |  |  |  |
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**2.2.2 FINISHED GOODS**

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 **NOMINAL ACCOUNT SECTION**

**2.2.3 FACTORY OVERHEAD COST**

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| **2.3.1** | **Calculate the direct material cost per unit for 2019.** |  |  |
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| **3** |

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| **2.3.2** | **Calculate the break-even point for the year ended 30 June 2019.** |  |  |
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|  |  |  | **4** |

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| **2.3.3** | **Should the business be satisfied with the number of units that they currently produce? Explain briefly.** |  |  |
|  |  |  |  |
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|  |  |  | **3** |

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| **2.3.4** | **The direct labour cost per unit for 2018 amounted to R5,20. Give TWO** **methods how the business can use to decrease this cost in the future.** |  |  |
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|  |  |  | **2** |

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