ACCOUNTING	**GRADE 11**
FORMEL ASSESSMENT TASK 5	**PRESENTATION**
TERM 3:	**MARKS: 50**
TOPIC: COST ACCOUNTING	**TIME: 1 Week**
DUE DATE: ……………………………………..	

REQUIRED:

1. Study the provided information and answer the questions that follow. (Neat work and complete answers where necessary, will be to your advantage).
2. Prepare yourself to make a presentation of your answers to the class and teacher. This is to ensure that you understand and be able to explain your answers as provided.

   Note:
   - Be prepared for any question regarding the explanation of your written answers.
   - Also expect questions from other learners.

QUESTION 1 **4 MARKS**

MANUFACTURTING CONCERNS

Indicate the cost category of each of the items listed below. Choose your answer from the list provided. Write the answer only, next to the question number.

Direct material cost; selling and distribution cost; direct labour cost; administration cost; factory overhead cost

1.1 Advertising expense
1.2 Wages paid to workers in the production process
1.3 Salary of the factory foreman
1.4 Stationery and telephone expenses

QUESTION 2 **26 MARKS**

REFER TO INFORMATION A

2.1 Calculate the total FACTORY OVERHEAD COSTS. [15]

2.2 Calculate the selling price per cartridge.
Hint: Calculate the number of units sold first. [4]

2.3 Post to the following account in the General Ledger:

- Work in Process Account [7]

INFORMATION A

Gauteng Manufacturers produces printer cartridges for Bex Printers and sells them at a profit mark-up of 50% on cost. The information below is from their financial records for the financial year ended 30 June 2015.

(a) Stock balances

	30 June 2015	**30 June 2014**
Raw material stock	34 560	27 660
Factory Indirect material	2 530	3 550
Work in Process Stock	37 300	32 450
Finished Goods Stock	33 000 440 units	14 250 190 units

(b) Summary of transactions for the year ended 30 June 2015

Material used in the factory:	
Raw material purchased	?
Raw materials issued for production	490 000
Indirect materials purchased	21 760
Factory salaries and wages:	
Direct labour	647 500
Indirect labour	24 350
Factory managers' salary	64 860
Other expenses:	
Rent expense	38 400
Insurance	8 880
Water and electricity	16 600
Bad debts	3 210
Sundry factory expenses	25 620
Sales	1 940 625
Number of units produced	17 500

(c) Additional information

- 60% of the rent expense must be allocated to the factory.
- Two thirds of the insurance expense relates to the factory.
- Water and electricity must be divided between the factory and the office in the ratio 4:1 respectively.

QUESTION 3 **10 MARKS**

REFER TO INFORMATION B

3.1 Calculate the number of units Vusi had to produce in order to break even. [5]

3.2 Explain the usefulness of the break-even analysis, and comment on the level of production achieved by Vusi. [5]

INFORMATION B:

Vusi makes facy cellphone pouches which are popular with high school learners. He operates from his father's garage. The information below relates to the first 3 months of his business.

(a)

	TOTAL	**PER UNIT**
Fixed costs		
• Factory overheads	6 860	
• Administration costs	690	
Variable costs		
• Direct material costs	9 800	10
• Direct labour costs	5 880	6
• Selling and distribution costs	2 940	3

(b)

Number of units produced: **980** (all the units produced were sold)
Sales for the period above: **R27 440**

RUBRIC

PRESENTATION			
Appearance, language usage and audibility	Uncertain, weak language usage and not very audible.	Comfortable, moderate language usage and audible.	Very confident, excellent language usage and very audible.
	0-1	**2**	**3**
Quality of answers/responses	Explanations are vague and do not correlate with those in the written part.	Explanations of answers not always like those in the written part. Try to make use of resources e.g. blackboard	Explanations of answers correlate with written part and more. Make use of resources e.g. chalkboard
	0-1	**2-3**	**4-5**
Presentation done as per agreed time		**No**	**Yes**
		0	**2**
			10