

CERTIFIED ACCOUNTANTING TECHNICIAN STAGE 1 EXAMINATIONS <u>S1.2: PRINCIPLES OF COSTING</u> DATE: MONDAY 27, NOVEMBER 2023 MODEL ANSWERS AND MARKING GUIDE

Marking Guide

QN	Answer	Marks	QN	Answer	Marks
MBEVENNOVEI	В	2 Marks	26	D	2 Marks
2	В	2 Marks	27	D	2 Marks
3	A	2 Marks	28	В	2 Marks
4	С	2 Marks	29	В	2 Marks
5	С	2 Marks	30	С	2 Marks
6	С	2 Marks	31	В	2 Marks
7	С	2 Marks	32	Α	2 Marks
8	Α	2 Marks	33	Α	2 Marks
9	В	2 Marks	34	A	2 Marks
10	Α	2 Marks	35	В	2 Marks
11	В	2 Marks	36	В	2 Marks
12	A	2 Marks	37	В	2 Marks
13	В	2 Marks	38	С	2 Marks
14	В	2 Marks	39	В	2 Marks
15	С	2 Marks	40	В	2 Marks
16	D	2 Marks	41	D	2 Marks
17	A	2 Marks	42	В	2 Marks
18	В	2 Marks	43	В	2 Marks
19	В	2 Marks	44	Α	2 Marks
20	A	2 Marks	45	С	2 Marks
21	В	2 Marks	46	С	2 Marks
22	A	2 Marks	47	D	2 Marks
23	С	2 Marks	48	С	2 Marks
24	D	2 Marks	49	С	2 Marks
25	В	2 Marks	50	В	2 Marks

Model Answers

QUESTION ONE

Correct answer is B

- A It is not correct because it is a definition of a sole trader not a limited liability company
- B A business whose owners are shareholders who are usually completely different from its management and shareholders' liability is only limited to the share capital contributed.
- C It is not correct because it is for Sole Trader, unlimited liability company and Partnership
- D It is not correct because it is a definition of Partnership

QUESTION TWO

Correct answer is B

Other are the components of financial statements

- A Statement of profit or loss
- B Statement of cost analysis
- C Statement of financial position
- D Statement of cash flow

QUESTION THREE

Correct answer is A

- A Buying goods for resale
- B Capital expenditure: the purchase of assets like furniture for business use in the long term
- C Drawings: withdrawing money from the bank for person use
- D Capital: injection of money in business for the fast time

QUESTION FOUR

Correct answer is C

Other statements are True in describing the relationship between financial accounting and management accounting

QUESTION FIVE

Correct Answer is C

Decision making, Planning, controlling

Analyzing, Accounting, and reporting are the roles of financial accounting in finance department

QUESTION SIX

Correct answer is C

Other statements are classified as short-term and medium-term decision How many products to produce: Classified in a short-term nature How to advertise and market the product: Classified in Medium Term Decisions Where to locate factories, warehouse: Long-term decision Whether or not to expand the business: Long-term decision

QUESTION SEVEN Correct answer is C

A is when Candidates fail to remove estimated opening inventory

- B is when candidates consider only the forecasted sales
- D is wrong due to C is correct answer

Production Budget

Details	Product (Unit)
Required Ending inventory	7,800
Add: Forecasted sales	25,000
Gross production requirement	32,800
Less: estimated opening Inventory	(5,000)
Net production requirement	27,800

QUESTION EIGHT

Correct answer is A

B: is wrong because candidates is considering estimating selling unit instead of production unit C: is wrong because candidates is consider only estimated gross production closing inventory D: is wrong due to A was correct answer

Product	Unit of product (units)	Qnty of Sugar req. per unit	Sugar required (total unit)
Sugar	27,800	2 kg	55,600kg

20 ICPABERIEN	BEVENNOPAR 10023 LEMBERVE	2012 02102 2023 2023 VENT 2014 2023	Sugar required (total
Product	Unit of product (units)	Qnty of Sugar req. per unit	unit)
Sugar	25,000	2 kg	50,000kg

2 10 Ph 22 1 P 2	Unit of product	Qnty of Sugar req. per one	Sugar required (total
Product	(Bottles)	bottle	unit)
Sugar	32,800	2 kg	65,600kg

QUESTION NINE Correct answer is B

Δ

A was wrong because candidates fail to deduct estimated opening inventory

C was wrong because candidates failed to add estimated ending inventory to production unit required

D was wrong due to B was correct answer

Material Purchased Budget	B	A	C
A 100 CONTRACT AND	kg	kg	kg
Required ending inventory of raw material	21000	21000	R 201 BER MBE
Add: forecasted net production requirement	55,600	55,600	55,600
Gross production requirement	76,600	76,600	55,600
Less: estimated opening Inventory of raw material	15,000	NOVE OPPO23 0	15,000
Material to be purchased	61,600	76,600	40,600
Cost per unit (FRW)	100	100	100
Material Purchased budget (FRW)	6,160,000	7,660,000	4,060,000

QUESTION TEN

Correct Answer is A

B is wrong due to we use estimated production unit

C is wrong due to we use gross production requirement instead of estimated selling unit D is wrong due to A was correct answer

Sal	Sale revenue budget		
Units		Selling price per unit	Sales revenue
AR I	RAP R 2023EP 20	FRW	FRW
A	25,000	600	15,000,000
В	27,800	600	16,680,000
С	32,800	600	19,680,000

QUESTION 11

Correct answer is B

- A. Rent of office building in town: Classified as administration cost
- B. Delivery costs to customers: classified under selling and distribution cost
- C. Wages of employees supervising the production workforce: classified as production cost
- D. Factory heating and lighting: Classified as production cost

Correct answer is A

- A A cost incurred and cannot be directly identified with producing a product or providing a service.
- B It is not correct because it a definition of Joint cost:
- C It is not correct because it is the Direct material apportioned by head office A cost that is incurred by the by head office and record in their books of accounts.
- D Material or labour costs which can be directly identified with making or providing units of a particular product or service it can be defined as Direct cost

QUESTION 13

Correct answer is B

A Candidate forget to incorporate direct expense C candidates forget to incorporate direct labor cost

Production of 500 mattress	Point B	Point A	Point C
Direct material (500 * 10 * 1000)	500,000	500,000	500,000
Direct labor cost (0.5 * 500 *1000)	250,000	250,000	23 VEMBER VENO
Direct expense	350,000	EPVEMBLVEMCPAN	350,000
Prime cost	1,100,000	750,000	850,000

QUESTION 14

Correct answer is B

A Candidate forget to incorporate direct expense in computation of total production overhead C Candidate forget to incorporate direct labor cost in computation of total production overhead D is wrong because B is correct answer

Production of 500 mattress	Point B	Point A	Point C
Direct material (500 * 10 * 1000)	500,000	500,000	500,000
Direct labor cost (0.5 * 500 *1000)	250,000	250,000	AR P 2029EP 20BE
Direct expense	350,000	NE 101 2023 R 2022 VE	350,000
Prime cost	1,100,000	750,000	850,000
Other monthly variable cost	250,000	250,000	250,000
Total production cost	1,350,000	1,000,000	1,100,000
Total cost per unit	2,700	2,000	2,200

Correct answer is C A Candidate fail to increase the cost of direct materials by 50% to cost of unit B Candidates fail to consider factors supervisor cost

B Candidates fail to consider factory supervisor cost

D is wrong because C is correct answer

Correct Computation

15 10 2 1 2 2 3 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 2 5 1 5 2 1 5 1 5	FRW
Production of Increase to 650 mattress (30%) i.e 500*1.3	AR NOVE NO 23 FE 202ER 20
Direct material (650 * 10 * 150)	975,000
Direct labor cost (0.5 * 650 *1000)	325,000
Direct expense	455,000
Prime cost	1,755,000
Factory supervisor	250000
Total production cost	2,005,000
Total cost per unit	4,010

Forget to increase the cost of raw material by 50%

Production of Increase to 650 mattress (30%)	VENBERVEN OVEN
Direct material (650*10 *100) (Candidates fail to increase cost od DM)	650,000
Direct labor cost (0.5 * 650 *1000)	325,000
Direct expense	455,000
Prime cost	1,430,000
Factory supervisor	250000
Total production cost	1,680,000
total cost per unit	3,360

Forget to consider factory supervisor

Production of Increase to 650 mattress (30%)	2023 ER 2023 REP 20 VER NO
Direct material (650 * 10 * 150)	975,000
Direct labor cost (0.5 * 650 *1000)	325,000
Direct expense	455,000
Prime cost	1,755,000
Factory supervisor (Candidates fail to consider this cost)	R NOVER NOAR 12020ER2
Total production cost	1,755,000
total cost per unit	3,510

Correct answer is D

- A is wrong because direct materials are not part of overhead cost
- B is wrong because direct materials and direct labor are part of price cost not overhead cost
- C is wrong because those components are for prime cost

QUESTION 17

Correct answer is A

- A They Aare the expenses of the organisation incurred by a number of cost centre jointly.
- B It is not correct because they are parts of indirect overhead cost
- C It is not correct because it is a definition of indirect cost

QUESTION 18

Correct answer is B

A is wrong because is apportioned factory rent only not total cost apportioned on floor space occupied

C is wrong because is apportioned of factor power only not total cost on % of consumption D is wrong because B is correct answer

QUESTION 19

Correct answer is B

A is wrong because is apportioned factory rent only not total cost apportioned on floor space occupied and candidates fail to consider the cost of repair of machinery

C is wrong because is apportioned of factor power only not total cost on % of consumption D is wrong because B is correct answer

QUESTION 20

Correct answer is A

B is wrong because is apportioned factory rent only not total cost apportioned on floor space occupied.

C is wrong because is apportioned of factor power only not total cost apportioned on % of occupied.

D is wrong because A is correct answer.

Correct answer is B

A is wrong because is apportioned factory rent based on floor space occupied not total cost.

C is wrong because is apportioned of factor power only on % of consumption.

C is wrong because B is correct answer

Working for question 18 up to 21

	Factor rent	Floo r spac e	Total space of buildin g	Split on the basis of floor space	allocated cost of factor	Repair cost of machine ry	Total cost of each departme nt
R H CPA (CPA	FRW	2023 (C	FRW	FRW	FRW	FRW	FRW
Cutting	1,200,00 0	5,00 0	12,000	500,000	160,000	100,000	760,000
Assembly	1,200,00 0	3,00 0	12,000	300,000	60,000	22 IEMBENIEME 10 IEMBENIEME 10 PAR NOPAR NO 10 PAR ICRAR NO	360,000
Finishing & painting	1,200,00 0	1,50 0	12,000	150,000	60,000	22 - 2023 - 2023 21 - 2023 - 2023 21 - 2023 - 2023 21 - 2023 - 2023 22 - 2023 - 2023 22 - 2023 - 2023 22 - 2023 - 2023 23 - 2023 - 2023 24 - 2023 - 2023 25 - 2023 - 2023 26 - 2023 - 2023 27 - 2023 - 2023 - 2023 27 - 2023 - 2023 - 2023 27 - 2023 - 2023 - 2023 - 2023 27 - 2023 - 20	210,000
Selling and distributi on	1,200,00 0	2,50 0	12,000	250,000	120,000		370,000

2022 CPAR	Factor rent	Floor space	Total space of buildin g	Split on the basis of floor space	allocated cost of factor	Repair cost of machine ry	Total cost of each departmen t
Cutting	1,200,00 0	5,000	12,000	500,000	160,000		660,000
Assembly	1,200,00 0	3,000	12,000	300,000	60,000	62 ²⁴¹ 67 20 ²² (EMBER 10 ²² (EMBER 10 ²² 20 ²³ (EM 10 ²² 2 ⁰²³ (EM 10 ²² 2 ¹⁰² (EM	360,000
Finishing & painting	1,200,00 0	1,500	12,000	150,000	60,000		210,000
Selling and	1,200,00 0	2,500	12,000	250,000	120,000	22 ¹ 22 ⁰ 1818 21 20 1819 22 10 2017 10 202 23 10 2018 10 202 23 10 2018 10 2018 20 10 2018 10 2018	370,000

distributi	2023 VEMBER NOVEN	2023 6 2023 6 M 40 VC 40	SEP 202ER 2010	PAR OPAR P202	BEREMBER NOP
on	23 OPA ICH SEPTEMBL	ENTERNAL OF AND	1012 CP 2023	NOVENIE NOVE	2023ER 2025 R 20

	Factor rent	Floo r spac e	Total space of building	Split on the basis of floor space	allocated cost of factor	Repair cost of machine ry	Total cost of each departmen t
Cutting	1,200,000	5,00 0	12,000	500,000			500,000
Assembly	1,200,000	3,00 0	12,000	300,000	2000 CPART 2022 CPART 2000 CPART 2000 PART CPART 2022 PART CPART 2022 PART CPART 2022 PART CPART 2022 PART CPART 2022 PART 2	N 5 P 2 NO P 42 5 P 2 P 2 P 2 P 2 P 2 5 P 2 P 2 P 2 P 2 7 P 2 P 2 P 2 P 2 7 P 2 P 2 P 2 P 2 7 P 2 P 2 P 2 7 P 2 P 2 P 2 7 P 2	300,000
Finishing & painting	1,200,000	1,50 0	12,000	150,000	60,000		210,000
Selling and distributi on	1,200,000	2,50 0	12,000	250,000	120,000		370,000

	Factor Power	% Of consumption	Split based on % of consumption
Cutting	400,000	40%	160,000
Assembly	400,000	15%	60,000
Finishing & painting	400,000	15%	60,000
Selling and distribution	400,000	30%	120,000

Correct answer is A

B & C are joint cost center expense Point D was wrong because A is the correct answer

QUESTION 23

Correct answer is C

A: It is not correct because cost Centre are area or department which incurs Cost only

B: It is not correct because revenue Centre are Centre which is accountable for revenues only D: It is not correct because Investment center is when the business specifically calculates how much money is invested in the respective area or project

Correct Answer is D

A variable cost is a cost which varies in total directly with the volume of output.

B: step fixed cost is cost which are fixed in nature but only within certain level of activity

C: Fixed cost is costs which are not affected by the level of activity

QUESTION 25

Correct answer is B

A it is not correct because is basic salary only

C It is not correct because the increment was calculated on 200 unit

D it is not correct because the incremental is calculated of 250 unit

- A FRW 250,000 (Fixed salaries)
- B FRW 300,000
- C FRW 450,000 (250,000 of salaries + 200 unit *FRW 1,000)
- D FRW 500,000 (250,000 of salaries + 250 unit *FRW 1,000)

QUESTION 26

The correct answer is D

Work in progress product is not ready for sell to the customer All other options are a collective way to describe inventory as raw materials, finished product.

QUESTION 27

Correct answer is D

- A Material requisition form is completed when materials are needed from stores by the production department it is then used as a source document for updating the inventory card in stores, updating the stores ledger account, charging the job, overhead or department that is using the materials.
- B Inventory Cards are manual records that are written up and kept in the stores department.
- C Store ledger accounts held by the accounts department and are very similar to inventory card. They carry all the information that an inventory card does, and they are updated from the same sources

RECEIPT	20 ER NOVAR LOPAR	ER 2020 ER MBEI	NOPAR CPARENE	NBEVENDEAR'S	ISSUES	JENNO VEN 10 2023 10	023 VEMBLOVEN	BALANC	CE C
DATE	Details	Quantit y	cost per unit	total cost	Quantit y	cost per Unit	Total cost	quantit y	Total cost
1-Dec-22	opening inventory	200	225	45,000	3ER 2012 R 20 3ER MBER N 0VE MBER N 2012 R 2023	2023 JEINBER 2018	P. 20 JEMBERAR NOPA 023 ICPAR 2023 CPA 023 ICP 2023 P. 20 35 FP 2023 P. 20 04 FP 2023 P. 20 04 FP 2023 P. 20 04 FP 2023 P. 20 04 FP 20 04 04 04 04 04 04 04 04 04 0	200	45,000
3-Dec-22	Receipt	400	245	98,000	WENNE WENCP	023 12 2023 JEMPHOV	R NOV 3 (CP 202	600	143,000
6-Dec-22	issue to sell	EP MEER NOVAF	10PAH 202 BER 201	PAR NO PAR	200	225	45,000	400	98,000
IENNOVE ICH	ER 2022 VEMPOVEN	202 EP 202 P 201	PAR NO AR 2023	EMBER NOV	200	245	49,000	200	49,000
BEN ENDOVEN	5PA023 12023 VEMBON	12 01 10 2023 12 023 CR 2025	2010 VENANOVENA	D23 10 202 PR 2	400	2020 EP INBER N	94,000	NBEREMBERR	CPHA CPHER
9-Dec-22	Receipt	400	255	102,000	ER 202 VENTA	PAR Nº 2023ER 20BER	R NOVAR MAPAR	600	151,000
15-Dec- 22	issue to sell	3 C NBER EMBORED	67252 2823 VEN 67252 2823 VEN 67258 785 780 785	NOVENNOVEN NORAR NOVEN CRASER 2023 M CMBER 2023	200	255	51000	DRAF N2023E	EMBER NO EMBER POPA 23 CPAR 10PA 23 CP 2023 P 20 18 EP 20
2023 2022 VE	MONTH NOT BER 2023	A TO GRAP OPAR	2022 ER ENBEN N	PAR ICPARER 2	160	255	40800	023 VEMBERVE	NOVE 1082023
310 2023 R 201	VEMPONE NOV310	202 R 202 VEW 14	APR 2023EP 20BEP	2 MOVPAR MOPA	360	PAR NOPAN OPABER	91800	240	59,200
21-Dec- 22	Receipt	450	222	100,000	OPAR N2023E	21135542 NO2AA C	AT 202 NBER 202 NOVENIOVEN CRAR NOVENIOVENI	690	159,200
26-Dec- 22	Receipt	600	300	180,000	2023 EMBLOVE 2023 EMBLOVE 2 NOVERS NOPS		OVENEROVER NO OPAR CPAR NO CPAR CPARER 2023 VEMBER	1290	339,200
31-Dec- 22	issue to sell	10 2 NOVE NOV 2023 C	2012 A 2000 A 400 AMBER A 00 A 400 A 07 A 2023 A 2023 A 20 2 A 2023 A 2023 A 20 2 A 2023 A 2000 A 20	AH 2022 ER 2 REENEWBOUE 2 NOVEMBOUE 2 NOVEMBOUE	240	255	61,200	SECVENCOVEN NORBEN2023 ORBENENE	072230723 82023672003 82023672003 84507887003
PAR 10PAS	NBEN EN OVEN CPAC	310023 JEMBOVE	NOV23 1012023 20	OVENER NOVEN	110	222	24,444	PAR OPALER	MBELEMBER.
REMBER NON	closing stock	PAS 10 PAS 10 MB	WENNOVEN CPAT	2023 JEMENO	350	23 4 2010 VENICOVE	85,644	940	253,556

The following information relates to questions 28 and 30

Wrong computation on second issue of inventory of 200 at cost of FRW 255 instead of FRW 245

Receipt	SER 202 R 20 WER NO	PAR R 2020 ER MB	P 2018EMBE	Issues	SER VEMBURNOVENCOPAN	2023 LEMBE	Balance	23 10 2023 VEMP	
DATE	Details	Quantit y	cost per unit	Total cost	Quantit y	Cost per Unit	Total cost	Quantit y	Total cost
1-Dec-22	Opening inventory	200	225	45,000	2023 C 2023 2023 C 2023 IEMBER 2018 IEMBER 2018 IEMBER 2018 IEMBER 2018 IEMBER 2018	2000/15/10000000000000000000000000000000	23ER 200ER 2012 NOVENBER 2012 NOVENBER 2012 2012 ER 2012 ER 2012	200	45,000
3-Dec-22	Receipt	400	245	98,000	BERVENBUR	10 PAT 2023 10 108	OVENIOVE CP	600	143,000
6-Dec-22	Issue to sell	123 65 2025 R 201	PAR LOPAR 12020	EMBERR NORA	200	245	49,000	400	94,000
SERVENCEVEN	2023 R 2023 VEMPONE	2 10023 CO 2023	NOVENINOUS NO	123 FR 202 FR 20	200	245	49,000	200	45,000
ICPREER EMBE	EMP PAT 10123 10MP	10 8 40 12 10 Pt	23 P 2023 VEM NOV	10023 10-202- 2023 EP 202-	400	AR A 2023ER 20BER	98,000	200 BERMBE	R MOPAN (CP)
9-Dec-22	Receipt	400	255	102,000	2023 R 20201E	NOV R NO 23 10 20	SEP 20 VER N	600	147,000
15-Dec- 22	Issue to sell	PA 10PAER CUENE 2020 IEMBER CUENE 2 NOPAR COPAR NO 2 NOPAR OPAR	NEMBER 2023 CP12 2023 CP 2023 P 2023 2023 CP 2023 P 2023 2025 CP 2025 P 2025 2025 P 2025 P 2025 P 2025 2025 P 2025 P 2025 P 2025 2025 P 2025 P 2025 P 2055 P	EMBERTOVENEOU PARTOVENEOU 23 CORRECTED	200	245	49000	R NOV R NO R ICPAR NO 23 ICPARER 202 23 VEMBER 26N	3EP 202 3EVENBER NV 0422CP2023
10P202312020	EMPHONE NO 2023 EP 20	BEA 20 VER NO	R M2023ER 20BER	NOVAR CPAN	160	255	40800	10P12310118E	VENIOVE CP
OVENICPAT V	2023 VEMBLOVEN NOVE	10 023 202 VEN	NOVE NO 2023 ER 2	BER 20 OVER 1	360	MBER NO PAR CPA	89800	240	57,200
21-Dec- 22	Receipt	450	222	100,000	AR NOAR NO AR OPAR N20 223 VEMBER 20 0 VEMBER 0 VEM	2 01200 ER 140748 REF 100200 CPAR 10020 CPAR 2023 10020 CPAR 2020 10020 CPAR 2020	NEMBER 201955	690	157,200
26-Dec- 22	Receipt	600	300	180,000	2 1022 101181 EP 2023 1EMB1 PAR 140 PAR 1 PAR 140 PAR 1	NEW OVE OP 2023 PAR 2023 CP 2023 NBER 2023 CP 2023 NBER 2024 OVENER	2823 VEM 4010 8 NO CPAR 6024 023 2023 VEME	1290	337,200
31-Dec- 22	Issue to sell	21 MECVENO 01 P 10 PAR 1202 01 P 10 PAR 1202 01 P 10 PAR 1202 22 01 EMBER 1201 2 01 EMBER 1201 2 01 EMBER 1201 2 01 P 10 PAR	5 C 2022 20 00 00 3ER 108ER 109 01EN CPAR 109 0023 R 2023 20	NOVAR Nº 2023	240	255	61,200	CPARENCEMPC ENROVENO 24P CPARENCO 24P CPARENCO	CNICPAGE 23 P 2023 P 20 UBER 20 NBER 20
ENBERAR NOPA	S IOPATER 2018ER EMBER	AF 10423 100 BE	NEW VEW CPAR	2023 VEMPON	110	222	24,444	NOVER LOPAL	ER 2020ER 2018
BER MBER P	closing stock	MERAR MORATIC	NBER 2018 MOLEMO	023 1023 JEM	350	2023 R 2023 VEMEN	85,644	940	251,556

Wrong computation on fist issue of 200 unit at cost of FRW 245 instead of FRW 225 as correct issue cost

Correct figures

Receipt	23 10PA' 10HBERVEMP	OVEN 10 023 101	J23 JEMBER NOVE NOVE	1012023 F 2023	Issues	023 FP 2012 P 20.012	R NOPAR P 2023	Balance	PAR OPACE 21
DATE	Details	Quantit y	Cost per unit	Total cost	Quantit y	Cost per Unit	Total cost	Quantit y	Total cost
1-Dec-22	Opening inventory	R OPAR P 2023 CRARE 2023 CRARE 2015 CRARE 2015 CRARE 2015 CRARE 2015	2118 24 2 202 A 20	NBER 200 BENEN NBER VEMBURN R NORAR NOVEN R NORAR NOVEN	8 PAP NOPA 0 PAP 2023 10 PAP	CONFERNMENT CONFERNMENT CONFERNMENT CONFERNMENT CONFERNMENT	1AP 10P 2023 10 2023 F 2023 16 M 2MBER 200 PAR 2MBER 200 PAR	200	45,000
3-Dec-22	Receipt	400	245	98,000	2023 10 2020 2023 EP 2020	NOVER NORP 20	BEREMBERR	600	143,000
6-Dec-22	Issue to sell	23 2023 JEMP	OVENNOVEN OPAN	R 2023 VEMBAO	200	225	45,000	400	98,000
OPBER 20BER N	CRAP CRAMER 2008EF	NOPAR MCPAN	CINEER EMBELIENE	023 2023 VE	200	245	49,000	200	49,000
R NO 23 P 2065	22 NOVER NORRE 20	REPENDER NO	PAR CPACE 200BE	EMBEAR MCPA	400	OVENICPAL LOT23	94,000	10 2023 202 R 2025 R 202	VEMPNOVE NC
9-Dec-22	Receipt	400	255	102,000	OPAR OPAEP	EMBEREMERAR IC	323 IEMBERVEN	600	151,000
15-Dec-22	issue to sell	0 18 W0 2023 10-25	SER 200 VEN NO	R 2023ER 202	200	245	49,000	VEMBER	123 1023 101
PAT ICP BERVEN	10 VENIC PAIN 10123 1	EN BENEMIONE	0P2023 R 2023 VENIL	ONE NOT SIC	160	255	40,800	ARE 200 BER	MBEAR MCPAT
R NOPAR CPAT	R 20 BELEMBLAR 10P	022 JENBERVENT	NEW CPAP 2023 (2023)	EMPLOYENOV	360	WENN WOY R NO 2023	89,800	240	61,200
21-Dec-22	Receipt	450	222	100,000	NOVENCPA	2023 JEMBOVENC	023 FR 2023 P 20	690	161,200
26-Dec-22	Receipt	600	300	180,000	NEMBELEME	023 2023 VEMBE	MOVE 109102	1290	341,200
31-Dec-22	issue to sell	R 202ER 20001E	CPAR 12023ER 2	SER NOPARIO	240	255	61,200	2023 2023 VE	MBE VENNOVE
JENNOVEN CPA	312023 VEMBLOVEN 40	07- F 2023 201	WENNONE NO 23	R 202ER 200V	110	222	24,444	EMPLAR ICP	23 ICHBENEN
NBER ZEMBEREME	closing stock	21 10 1EM OPP 2023	2023 JEMPONE NO	023 LP 2023 P 2	350	22023ER 20BER NO	85,644	940	255,556

QUESTION 28

Correct answer is B

A it is wrong because the second issue of inventory is done on wrong issue cost

C it is wrong because the first issue of inventory is done on wrong issue cost

D is wrong because B is correct answer

Correct answer is B

A: is wrong figure due to we use wrong issue cost per unit for second issue look on the table above C: is wrong figure due to we use wrong issue cost per unit for first issue look on the table above D: is wrong due to B was correct answer

2023 R 2020 VEM NO	Correct figure (B)-FRW	A-FRW	C-FRW
Issue cost	94,000	94,000	98,000
Issue cost	89,800	91,800	89,800
Issue cost	85,644	85,644	85,644
Total	269,444	271,444	273,444

QUESTION 30

Correct Answer is C

ETEMPERATIONAS CRAFT ENTERING	Correct figure (C)	(B)	(A)
Issued on 6 December	400	AR 1084 101 101 101 101 101 101 101 101 101 10	10PA123102023
Issued on 15 December	360	316823 2023 VEMBEOVEN	OVE 10P 2023 12
Issued on31 December	350	BEVENNEPAR CPP3 CONSERVICE	JEMPONEM OPPN
Total unit issued	1,110	R 201 BER MBER MORAL OF	NEER ZEMBERENNE
Selling price	500	NACTION OF CONTRACT OF CONTRACT.	R LOPATER 2018E
SALE REVENUE	555,000	555,000	555,000
Cost of sale (Total Issue cost)	269,444	271,444	273,444
Gross profit	285,556	283,556	281,556

A: is wrong figure due to we use wrong cost of sale (issue cost) where first issue was done by wrong issue price per unit for second issue look on the table above

B: is wrong figure due to we use wrong cost of sale (issue cost) where second issue was done wrong issue cost per unit for look on the table above

D: is wrong due to C was correct answer

Correct answer is B

Last in last out do not exist in method of inventory valuation

A: FIFO Assume that the first items bought are the first items issued.

C: is inventory valuation method that calculate a weighted average cost each time there is a receipt of inventory.

D: is opposite of FIFO; It assume that the last items bought are the first items issued.

QUESTION 32

Correct answer is A

FIFO Assume that the first items bought are the first items issued.

FIFO is most appropriate in business where the oldest items are actually issued first, which is the case with perishable goods such as food where NZABAMWITA LTD operates.

B: last in last out was not exist in method of inventory valuation method

C: is inventory valuation method that calculate a weighted average cost each time there is a receipt of inventory.

D: is opposite of FIFO; It assume that the last items bought are the first items issued.

QUESTION 33

Correct answer is A

- A Wages of the employees making furniture
- B Maintenance cost if machinery: Indirect Cost
- C Sales staff salaries: Indirect Cost
- D Salaries of watchman in the evening Indirect Cost

QUESTION 34

Correct answer is A

A remuneration rate involves paying a bonus if the output is better than expected was Bonus system (not Time rate)

Other statements are true

According to labor remuneration methods, which of the following statement is not true?

A. Time rate remuneration involves paying a bonus if the output is better than expected

- B. Piecework remuneration is an amount paid for each unit or task successfully completed, acting as incentive to produce more
- C. A time saved bonus is paid if the employee performs a task in a shorter time than the standard time allowed (Bonus system)
- D. A discretionary bonus system occurs when employer judges that the employee deserves one (Bonus system)

The following information relates to questions 35 and 37

QUESTION 35

Correct answer is B

A is wrong because all excess unit produced by KAYONGA are 15 unit but is valued on FRW 10,000 While fall in two segments as provided in the question

C is wrong because all excess unit produced by KAYONGA are 15 unit but is valued on FRW 15,000 While fall in two segments as provided in question

D is wrong because B is correct answer

QUESTION 36

Correct answer is B

A is wrong because Candidate fail to consider all excess unit produced by DIDIER are 9 unit as provided in the question

C is wrong because all excess unit produced by DIDIER are 9 unit but is valued on FRW 15,000 While fall in First segment as provided in question that have to be valued on FRW 10.000 D is wrong because B is correct answer

QUESTION 37

Correct answer is B

A is wrong because all excess unit produced by KAYONGA are 15 unit but is valued on FRW 15,000 While fall in two segments as provided in the question so total cost is wrong

C is wrong because all excess unit produced by KAYONGA are 15 unit but is valued on FRW 15,000 While fall in two segments as provided in question and 9 unit of DIDIER was commutated by using wrong rate so total cost is wrong

D is wrong because B is correct answer.

Names	Basic salar y	Expecte d product ion unit	Actual product ion	over product ion	Betwe en 20 up to 30	remunera tion rate	Total Bonu s	Betwe en 20 up to 30	remunera tion rate	Tota l Bon us	Gross salarie s
Didier	250,0 00	20	29	9	9	10,000	90,00 0	0	15,000	OVE ICP 2023 ICP 2023 ICP 2023 ICP 2023 ICP	340,00 0
Karekezi	250,0 00	20	19	-1	0	10,000	AR NOAR 023 JEMBE NO JEMBE	0	15,000	ALER 200	250,00 0
Kayonga	250,0 00	20	35	15	10	10,000	100,0 00	5	15,000	75,0 00	425,00 0
Murinzi	250,0 00	20	20	0	0	10,000	VEMBER 202 023 ICPAP	0	15,000	2023 P	250,00 0
Gross wage (correct Answer)	CPP-30 2 R 2023 2 R 2007 2 R 2				2023 EP 202 2023 EP 202 2018 EP 2023 E 2019 EN 2023 E		R Nº 2023 SER 2023 NOVENSE NORRENZ ICRAERZ	2022 P.202 EMBER 2023 223 ER 2023 MBER 2023 MBER 2023 MBER 2023 MBER 2023 ER 2	2023 ENG CPAR 22 2023 ENG CPAR 2023 ENG CPAR 2023 ENG CPAR 2023 2023 ENG 2023 2023 ENG	NETRINE NOVEMBER NOVEMBER OVEMBER	1,265, 000

Names	Basic salary	Expected producti on unit	Actual producti on	over producti on	Betwe en (20 up to 30	remunerati on rate	Total Bonus	Betwe en (20 up to 30	remunerati on rate	Total Bonus	Gross salaries
Didier	250,0 00	20	29	9	0	10,000	PAR NORAR PAR OPAR 2023 VEMBE	9	15,000	135,0 00	385,000
Karekezi	250,0 00	20	19	APR 12023 CPA	0	10,000	22-3 10-2023 BER 2023 10-2023	0	15,000	En NOVEMBER	250,000
Kayonga	250,0 00	20	35	15	15	10,000	150,0 00	0	15,000	2-101-2023 (F 3EP 2023 (F 3EP 2023 (OP)	400,000
Murinzi	250,0 00	20	20	0	0	10,000	AS NO 2023 IBER VENBER 2 NO VENBER 2 NO VENBER 2 NO VENBER 2 NO VENBER 2 NO VENBER 2 NO VENBER	0	15,000	PEMBER MEMBER 202 2023 EP 202	250,000

gross	3 2023 ICH	EP EMBLYEM	2023 10123 10 2023 ER 2023 VEL	PROVENIOVE	P 2023 202 11	MENOVE NO 2023	ER 2022 R 20 VE	R NORA N2023ER 2015ER	AR NO PAR O	1,285,0
wage	2023 CPA	IEMBER EMBL	EN 10 2023 10 10	3 VEMBE VEMVC	10 202 21 21 02 59 20 61 21	NOVEMENOVE N	2023 10 202 ch 20	OVER WOAR 12023ER	MBER NOV	00

Names	Basic salary	Expected producti on unit	Actual producti on	over producti on	Betwee n 20 up to 30	remunerati on rate	Tota l Bon us	Betwee n 20 up to 30	remunerati on rate	Total Bonus	Gross salaries
Didier	250,0 00	20	29	9	0	10,000	01EM8E 2023ER 2023ER	0	15,000	10-3 10-023 0-3 10-023 10-3 10-023 10-023 10-023	250,000
Karekezi	250,0 00	20	19	-123 JEM 10	0	10,000	MBERVEN	0	15,000	SEPENBER OVENBER 20 2023 ICPAS 2023 ICPAS	250,000
Kayonga	250,0 00	20	35	15	0	10,000	CPAR NO	15	15,000	225,0 00	475,000
Murinzi	250,0 00	20	20	0	0	10,000	2023 CPI 2023 CPI	0	15,000	22 ICPABER 22 VEMBER 20 VEMBROV 20 VEMBROV	250,000
Gross wage	R NO PAR I S23 R 2023 V BER NOV	NAFOLEMBOUE	CPAR 2023 CP2023 EP2023 NEMBER NO NEMBER NO	SAR CONFERENCE	10PAT 10 13 10PAT 10 13 10PAT 10PAP 13 10PAT 10PAP 14 10PAT 10PAP	223 1240 NOVE NO NOVER OPAR NO 3 C 2023 1240 PM	ABER 202 MEEREME MOVESIO	2020 PAR 2020 2020 PAR 2020 2020 2020 PAR 2020 2020 2020 PAR 2020 2020 2	0147 NON 2012 11 202 27 A F N 2012 11 202 21 A F N 2012 NOVE NO 2018 NOVE NOVE NO 2012 12 2023 12	2023 10 VER 2023 10 202 2023 10 202	1,225,0 00

QUESTION 38 Correct answer is C

A: Trade in occurs when an asset is exchanged to another from a supplier in whole or in part payment.

B: Capital raised occurs when there is an increase in the owners' funds

C: The asset was acquired on credit as the payment will fall due within 2 months

QUESTION 39

Correct answer is B

A: revenue expense relates to costs spend for normal trading of the company Capital income happen when there is an income received from disposal of long-term asset

QUESTION 40

Correct answer is B

Retail buys goods made by a manufacturer in on order to sell on to the final customer

A: are business which actually make the goods that they sell on the other business.

C: Marketing organization are classified as Service organization

D: Service business not manufacturing or sell physical product but instead provide a service

QUESTION 41

Correct answer is D

Financial accounting does not help while determining advertisement costs Other statements are objective of financial accounting

The following information relates to questions 42 to 43

QUESTION 42

Correct answer is B

A is wrong because candidates by choosing higher level of production is based on high cost not level of output

C is wrong because candidates by choosing higher level of production they mix production cost based and level of output occurred in 2 different period

D is wrong due to B is correct answer

Correct answer is B

A is wrong because candidates by choosing higher level of production is based on high cost not level of output

C is wrong because candidates by choosing higher level of production they mix production cost based and level of output occurred in 2 different period

D is wrong due to B is correct answer

Workings

Munyaneza	Ltd has record	the following d	ata in the most recent	period

Year	Total cost of production	EMBE VENOVE CP2023	Volume of production
PAR OPAR 20	METER BEAR WORKS OPPORT UNBERTING OPPORT	FRW (000)	Unit
2019	R 2022 AND EAR NORAR OPAGE AND ENDER	135,000	700
2020		183,000	1,050
2021	EM 40 F 40,023 C 2023 200 EM 40 4 M 2023	195,500	1,200
2022	102 10 BENEMENTE 1080 2023 2023 EMPLOYE 14	195,000	1,250

STEP1: identify

A period with Highest activity level

A period with Lowest activity level

Variable cost per unit

 $=\frac{Total \ cost \ at \ high \ activity - Total \ cost \ at \ lower \ activities}{Total \ Units \ at \ high \ activity \ level - Total \ units \ at \ lower \ activity \ level} = \frac{195,000 - 134,500}{1,250 - 700} = 110$ Fixed cost = total cost at High level - (total units at high activity level * Variable cost)

Year	Total cost of production	Volume of production
23 2023 VEM NOVE NOVE 10	FRW (000)	Unit
2019	134,500	700
2020	183,000	1,050
2021	195,500	1,200
2022	195,000	1,250
NOVE NOVE 10 2023 2001	60,500	550

Variable cost per unit (Correct answer) 110

Higher activities level		195,000
Total variable cost	1,250*110	(137,500)

Fixed cost

57,500

Total cost at 1,500

57,500+ (1,500*110) 222,500

Wrong answer due to selecting highest activity based on total cost not production level

1500

Year	Total cost of production	Volume of production
PAR CPATIC HEREN ENBER	FRW (000)	Unit
2019	134,500	700
2020	183,000	1,050
2021	195,500	1,200
2022	195,000	1,250
10 NBEN VENOVEN OPA 2023 12023	61,000	500
variable cost per unit	122	
Higher activities level		195,000
Total variable cost	1250*110	152,500
Fixed cost		42,500
	1500	
Total cost at 1500	57,500+ (1500*110)	225,500

Wrong answer because candidate select highest activity level and highest production level from different year

Year	Total cost of production	Volume of production
MEER NOPAR OF AFT 20 BET MEE	FRW (000)	Unit
2019	134,500	700
2020	183,000	1,050
2021	195,500	1,200
2022	195,000	1,250
variable cost per unit	61,000 111	550
Higher activities level		195,500
Total variable cost	1200*122	138,636
Fixed cost		56,864
	1500	
Total cost at 1500	56,864+ (1500*111)	223,227

Correct Answer is A

B is wrong because all cost incurred during production of product are Total production cost C all cost which cannot be directly identified with the production of product are known as overhead D is wrong because All material cost, labor cost, and expense incurred in production of goods or providing a service is Total production cost with a component od direct cost and indirect cost Direct cost refers to:

OUESTION 45

Correct answer is C

A is wrong because semi-variable cost is which contain both fixed and variable component and so are affected by the level of activity

B is wrong because variable cost is cost which varies in total directly with the volume of output D Is wrong because fixed cost is cost which are not affected by the level of activity.

Total cost



(Output (units)

QUESTION 46

Correct answer is C

Material requisition form is completed when materials are needed from stores by the production department it is then used as a source document for updating the inventory card in stores, updating the stores ledger account, charging the job, overhead or department that is using the materials.

A: it is wrong because Inventory Cards are manual records that are written up and kept in the stores department

B: it is wrong because Purchase Order form: are document that details the quantity needed by a company issued to supplier for delivery that product requested

D: it is wrong because Goods received notes: it is a document signed by a goods receiving committee to confirm that goods are received in good condition

Correct answer is D

Because engraving is a way to writing the code on items by using a machine.

For easy way of kept record in the store, different items are given a code based on company own structure, which of the following are not methods of coding systems?

A is wrong because alphabetic coding systems are methods of coding by using just letters to code the leger account

B is wrong because Numeric coding systems are methods of coding where the code are is entirely numerical

C is wrong because alpha-numeric is coding systems uses a mixture of letters and numbers

Cost type	Budget	Actual	Variance	Adverse / Favorable	Significan ce	
2028551408554705787678767876787678767876787678767876787	FRW (000)	FRW (000)	FRW (000)	022 2022 151 00 00 100 1026 202 150 00 00 00 00 1026 02 00 00 00 00 00 00 00 00 00 00 00 00	2022 2023 2020 3EP 2018 0 VENBER 10 0 23 0 2023 R 20	
Materials	25,500	26,500	(1,000)	adverse	-4%	
Labor	11,250	12,350	(1,100)	adverse	-10%	
Production cost	5,300	5,160	140	Favorable	3%	
Administration O/H	6,200	5,900	300	Favorable	5%	
Selling and distribution	2,660	2,460	200	Favorable	8%	

The following information relates to questions 48 and 50

QUESTION 48

Correct Answer is C

A is wrong because 1000 adverse is variance for materials not for production cost

B is wrong because 140 adverse is variance of production but computation is wrong due to student take actual minus Budgeted

D is wrong because 1000 Favorable is variance for materials but computation is wrong due to candidate take actual minus Budgeted

Correct Answer is C

A is wrong because 1,000 Favorable is variance for materials but computation is wrong due to student take actual minus Budgeted

B is wrong because 1000 adverse is variance for materials not for production cost D Interpretation is wrong, the variance is adverse not favorable

ENBERR NOPAR OPAN WENDER WENDER OPAN

QUESTION 50

Correct answer is B

Other combination for A, for C, for D are wrong

Material cost variance: because material cost variance is (1,000) adverse just equal to -4% as significant to budgeted cost, this is below 5 % of budget deemed to be significant and reported to account manager

Administration overhead cost variance is 300 favorable just equal 5% as significant to budgeted cost, this doesn't exceed 5% of budget is deemed to be significant and reported to account manager

Production cost variance is 140 favorable just equal 3% as significant to budgeted cost, this doesn't exceed 5 % of budget is deemed to be significant and reported to account manager

END OF MARKING GUIDE AND MODEL ANSWERS