NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION
DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE

COURSE CODE: BAC1200S	**COURSE NAME:** BUSINESS ACCOUNTING 1B
SESSION: NOVEMBER 2025	**PAPER:** THEORY AND CALCULATIONS
DURATION: 2 HOURS	**MARKS:** 100

FIRST OPPORTUNITY EXAMINATION	
EXAMINER	DR Z. VAN DER WALT
MODERATOR:	MR G. SHEEHAMA
	• Answer ALL the questions on the answer sheet • Read all the questions carefully before answering. • This paper consists of 57 questions. • All questions count for one mark unless otherwise indicated • There is only one correct option, the shading of more than one option will be marked as incorrect • Make sure to shade your student number correctly

THIS MEMORANDUM CONSISTS OF 15 PAGES (Including this front page)

"Develop a passion for learning. If you do, you will never cease to grow"

Questions 1-8

Introduction and cost allocation in Cost Accounting (Theory) (10 marks)

1. **Which one of the following is incorrect when classifying costs according to behaviour (1 mark)**
   a. Step
   b. Period
   c. Variable
   d. Fixed
   e. None of the above
2. **Which one of the following is correct when classifying costs by nature (1 mark)**
   a. Manufacturing
   b. Marketing costs
   c. Period
   d. Administrative costs
   e. All of the above
3. **The term "variable cost" can best be described as (1 mark)**
   a. The costs that are likely to respond to the amount of attention devoted to them by a specific manager
   b. All costs associated with marketing, shipping, warehousing, and billing activities
   c. All costs that do not change in total for a given period of time and relevant range, but become progressively smaller on a per unit basis as volume increases
   d. Costs that may be eliminated if economic activity is decreased
   e. None of the above
4. **The term "sunk cost" refers to (1 mark)**
   a. Past costs that are now irrecoverable
   b. Costs that the unit manager cannot influence directly
   c. Costs that should be incurred in a specific production process
   d. Costs that may be eliminated if economic activity is decreased
   e. None of the above
5. **Which of the following is a variable cost (1 mark)**
   a. Factory rent
   b. Raw materials costs
   c. Property taxes
   d. All of the above are variable costs
   e. None of the above is a variable cost.
6. **The total cost of 10 units is N$500. The fixed cost is N$100. The variable cost per unit is? (2 marks)**
   a. N$40
   b. N$50

c. N$400
d. N$500
e. None of the above

7. **Wages paid to a person directly involved in the production activities can be classified as (1 mark)**
   a. Indirect cost
   b. Sunk cost
   c. Direct cost
   d. Unavoidable cost
   e. None of the above

8. **The per-unit production cost for Jones Manufacturing is as follows: What type of cost is Cost A and Cost B (2 marks)**

Production levels	Cost A per unit (N$)	Cost B per unit (N$)
20,000	12	8
80,000	12	2

   a. Cost A is mixed, and Cost B is variable.
   b. Cost A is fixed, and Cost B is variable
   c. Cost A is variable, and Cost B is fixed
   d. Cost A is fixed, and Cost B is mixed

Questions 9-17

Materials and inventory control (Theory, application and calculations) (21 marks)

9. **Which of the following is not a recognised method to calculate the variable cost portion included in the mixed cost (1 mark)**
   a. High/Low method
   b. Least Square method
   c. Scatter Graph method
   d. Simple square method
   e. All options are recognised methods

The following information relates to Question 10. You are required to round all amounts to the nearest N$ throughout the calculation process

The following details relate to the Chocoholic CC inventory.
EOQ – 1,000 units
Lead time – 2 to 4 weeks
Minimum usage – 60 units per working day
Maximum usage – 80 units per working day

10. **Which one of the following is the normal reorder level (2 marks)**
   a. 1,050 units
   b. 210 units
   c. 205 units

d. 1,100 units
e. None of the above options is correct.

The following information relates to Questions 11 and 12. You are required to round all amounts to the nearest N$ throughout the calculation process

Bingo CC manufactures electronic Bingo board games. One of the materials is a "controller". The production manager uses an Economic Order Quantity decision-making model to determine the size and frequency of orders. Bingo CC's annual demand for controllers is 3,000. The controllers are purchased in a box containing 10 units. Each box costs N$1,000. The manager estimates that placing and receiving an order costs N$45.00. Suppose the controller orders 30 boxes each time.

11. Which one of the options below is the total ordering cost per annum? (2 marks)

a. N$50
b. N$450
c. N$4,500
d. N$5,000
e. None of the options is correct

12. Suppose the cost per order is N$50, and the annual holding cost is N$18 per unit; then the economic order quantity (EOQ) will be? Choose the correct option below. (3 marks)

a. 69 units
b. 135 units
c. 129 units
d. 47 units
e. None of the options above is correct

The following information relates to Questions 13 to 15. ABC Woodwork manufactures chairs. The following transactions occurred in October 2025.

Issue direct materials to the production process, N$50,000. Transferred work in progress to finished goods.

13. Which one of the following options is correct for transferring direct materials to production (work in progress)? (2 marks)

a. Debit production, credit finished goods
b. Debit direct materials, credit production
c. Debit manufacturing overheads, credit direct materials.
d. Debit production, credit direct materials
e. None of the above

14. Which one of the following options is correct for transferring work in progress (production) to finished goods? (2 marks)

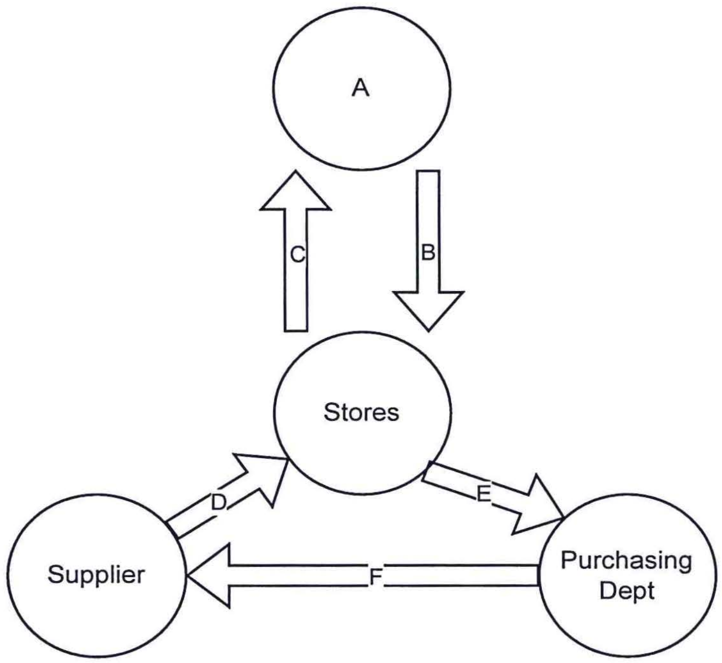
a. Debit production, credit finished goods
b. Debit finished goods, credit direct materials
c. Debit finished goods, credit production
d. Debit direct materials, credit bank

e. None of the above

15. Assume a WIP opening inventory of N$20,000 and a closing inventory of N$15,000. How much inventory was transferred to finished goods (3 marks)

a. N$70,000
b. N$55,000
c. N$50,000
d. N$35,000
e. None of the options is correct

The diagram below illustrates the flow of inventory and the corresponding source documents. Placeholders A to F can represent: Goods requisition note; Issue goods to the production department; Purchase requisition Note; Production department; Purchase Order; Purchase Invoice.



16. Choose the correct option that represents placeholders A, B and C (3 marks)

a. A = Production department; B = Goods requisition note; C = Issue goods to the production department
b. A = Purchase Invoice; B = Goods requisition note; C = Purchase Order
c. A = Production department; B = Purchase Order; C = Purchase requisition Note
d. A = Purchase Order; B = Goods requisition note; Purchase Invoice

17. **Choose the correct option that represents placeholders D, E and F (3 marks)**
    a. D = Purchase Invoice; E = Production department; F = Issue goods to the production department
    b. D = Purchase Order; E = Issue goods to the production department; F = Purchase Invoice
    c. D = Purchase Invoice; E = Purchase requisition Note; F = Purchase Order
    d. D = Purchase Order; E = Purchase requisition Note; F = Goods requisition note

Questions 18-33

Labour Considerations (Theory, Application and Calculations) (22 marks)

18. **The following remuneration schemes are available (1 mark)**
    a. Basic salary, overtime and other benefits
    b. Piece work pay, bonuses, time-based pay
    c. PAYE, Social Security and Overtime
    d. Specific and general overtime
    e. None of the above
19. **Which one of the following is a component of direct labour (1 mark)**
    a. Specific Overtime
    b. General Overtime
    c. Pension fund contribution by the employer
    d. Housing allowances
    e. None of the above
20. **The normal wages for manufacturing workers are N$50,000, general overtime, N$5,000 and allowances N$10,000. Which one of the following options below represents the Wages Control Account (3 marks)**

Option A

Date	Details	N$	Date	Details	N$
15	TOTAL WAGES	65000	15	PRODUCTION	50000
			15	OVERHEADS CONTROL	15000

Option B

Date	Details	N$	Date	Details	N$
15	TOTAL WAGES	50000	15	PRODUCTION	50000

Option C

Date	Details	N$	Date	Details	N$
15	TOTAL WAGES	65000	15	PRODUCTION	55000
			15	OVERHEADS CONTROL	10000

Option D

Date	Details	N$	Date	Details	N$
	TOTAL WAGES	65000		PRODUCTION	65000

The following information relates to Questions 21-23.
A normal week is 40 hours. Anne worked 48 hours during the week and 5 hours on Sunday. Only the Sunday overtime relates to a specific order. The normal hourly rate is N$200. PC Toys applied the overtime rate as stipulated in the Labour Act.

21. The overtime allocated to direct labour will be (1 mark)
   a. N$1,000
   b. N$2,000
   c. N$800
   d. N$2,400
   e. None of the above

22. **The overtime allocated to manufacturing overheads will be (1 mark)**
   a. N$1,300
   b. N$2,400
   c. N$800
   d. Zero
   e. None of the above

23. Assume all the overtime worked is non-specific in nature, the amount allocated to manufacturing overheads will be (2 marks)
   a. N$4,400
   b. N$1,000
   c. N$800
   d. N$1,300
   e. None of the above

The following information relates to Questions 24 to 29. Mary receives a housing allowance of N$4,000 and a basic salary of N$15,000 per month. She worked five hours of overtime, but the employer did not pre-approve the overtime. Approved overtime is paid at N$200 per hour. Mary contributes towards a pension fund; the total contribution is 10% of pensionable income. Mary contributed N$1,000 towards the medical aid. The employer does not contribute towards the medical aid fund. PAYE is calculated at 20% of taxable income.

24. Calculate Mary's gross wage (2 marks)
   a. N$19,000
   b. N$20,000
   c. N$15,000
   d. N$17,500
   e. None of the above

25. **Assume a taxable income of N$18,500, and a net wage of N$17,500 before income tax, calculate the income tax payable (1 mark):**
    a. N$3,150
    b. N$3,330
    c. N$6,480
    d. N$180
    e. None of the above
26. **When the employer makes a payment to NamRA, the following entry should be made in the general ledger (2 marks)**
    a. Debit NamRa for PAYE and credit Bank
    b. Credit Bank and debit NamRa for PAYE
    c. Debit Wages Control and credit NamRa for PAYE
    d. Debit Bank and credit Debit Wages Control
    e. None of the above
27. **Assuming Mary is directly involved in the manufacturing process, how much of her remuneration will be allocated to direct labour (1 mark)**
    a. N$19,000
    b. N$4,000
    c. N$1,000
    d. N$15,000
    e. None of the above
28. **Assuming Mary is directly involved in the manufacturing process, how much of her remuneration will be allocated to manufacturing overheads (1 mark)**
    a. N$19,000
    b. N$4,000
    c. N$1,000
    d. N$15,000
    e. None of the above
29. **Which one of the following options represents the "Pension fund – Creditor Account" after payment to the pension fund has been made (2 marks)**

Option A

Date	Details	N$	Date	Details	N$
30	Bank	1,000	15	Wages Control	1,000

Option B

15	Wages Control	1,000	30	Bank	1,000

Option C

30	Bank	1,000	30	Employee	1,000

Option D

15	Wages Control	1,000	30	Payments	1,000

This information relates to Questions 30 to 33

A bakery employs Lucas to decorate chocolate cakes. Based on normal wages, he received N\$100 per standard hour, and a piecework rate of N\$90. The bakery estimates that it would take 15 minutes to decorate a cake. During the 8 hours, he decorated 30 cakes. Considering the Labour Act, the employer agreed to pay at least 70% of the normal wage. Please carefully consider the information above and answer the following questions.

30. How many cakes is Lucas supposed to decorate per hour (1 mark)

a. Two cakes.
b. Three cakes
c. Four cakes
d. Five cakes
e. None of the above

31. Based on the information, how does the actual cake decorating differ from the estimated decorating tempo (1 mark)

a. Lucas decorated two fewer cakes than supposed to, according to the estimates.
b. Lucas decorated 12 fewer cakes than supposed to, according to the estimates.
c. Lucas decorated two more cakes than supposed to, according to the estimates.
d. The information is insufficient.
e. None of the above

32. How much is Lucas paid for decorating one cake (1 mark)

a. N\$17.50 per cake
b. N\$90 per cake
c. N\$70 per cake
d. N\$22.50 per cake
e. None of the above

33. How will the remuneration for the cake decorating be classified? Choose the correct option (1 Mark)

a. Direct Labour
b. Indirect Labour
c. Period Costs
d. Sunk Cost
e. None of the above

Questions 34-38

Manufacturing overhead control (Theory, application in the accounting records and calculations) (10 marks)

34. The formula to calculate the predetermined overhead rate for the allocation of overheads is (1 mark)

a. Total actual overhead/total actual activity

b. Total estimated overhead/total estimated activity
c. Total estimated activity/Total estimated overhead
d. Total actual activity/Total actual overhead
e. None of the above

35. A company produces three types of products- product A, product B, and product C. Product A requires 200 machine hours. Product B requires 400 machine hours. Product C requires 620 machine hours. The company uses machine hours as a cost driver. The total overhead cost assigned to that cost pool was $183,000. The machine hours overhead assigned to each of the products was (3 marks)

a. N$61,000 for A; N$61,000 for B; N$61,000 for C
b. N$61,000 for A; N$60,000 for B; N$91,500 for C
c. N$30,000 for A; N$60,000 for B; N$93,000 for C
d. N$30,000 for A; N$63,000 for B; N$90,000 for C
e. None of the above

This information relates to Questions 36 and 37. A company applied overheads using machine hours as an allocation base. Machine hours were budgeted at 11250 with overheads of N$258,750. The actual results were 10,980 hours, with overheads of N$254,692.

36. The predetermined overhead rate is (Round amounts off to the nearest N$ (1 mark)

a. N$24 per machine hour
b. N$22 per machine hour
c. N$23 per machine hour
d. N$25 per machine hour
e. None of the above options are correct

37. Assume a POR of N$21 per machine hour. How much is the under or over application (2 marks):

a. Overheads were under-applied by N$24,112
b. Overheads were over-applied by N$24,112
c. Overheads were under-applied by N$18,442
d. Overheads were over-applied by N$18,442
e. None of the above

38. Which one of the following options represents the accounts in the general ledger with actual overheads of N$50,000 and applied overheads of N$52,000 (3 marks)

Option A

Date	Details	N$	Date	Details	N$
1	Bank	50,000	15	Production	52,000
30	Production	2,000			

Option B

Date	Details	N$	Date	Details	N$
1	Bank	50,000	15	Production	52,000
30	Cost of Sales	2,000			

Option C

Date	Details	N$	Date	Details	N$
15	Production	52,000	1	Bank	50,000
			30	Production	2,000

Option D

Date	Details	N$	Date	Details	N$
1	Bank	50,000	15	Cost of Sales	52,000
30	Cost of Sales	2,000			

Questions 39-43

Manufacturing accounts (Theory, calculations and application in the accounting records) (13 marks)

39. Raw materials used could be calculated as (3 marks)

a. Opening inventory of raw materials, less purchasing raw materials, plus closing inventory of raw materials
b. Purchase of raw materials, less closing inventory of raw materials
c. Opening inventory of raw materials, plus purchasing raw materials, less closing inventory of raw materials
d. Closing inventory of raw materials, plus purchasing of raw materials, less opening inventory of raw materials
e. None of the above options is correct.

The information below relates to Questions 40 and 41. Accountants use a specific format to compile a cost of goods manufactured statement. Carefully consider the format below and fill in the missing terminology.

Raw Materials		
Opening inventory	xxx	
Plus: **A**	xxx	
Raw materials available for use	xxx	
Deduct: **B**	(xxx)	
Raw materials used in production		xxx
Add: Direct Labour		xxx
C		xxx
Add: **D**		xxx
Total manufacturing cost transferred to work in process		xxx
Add: **E**		xxx
Deduct: Closing work in process inventory		(xxx)

F		XXX

40. **Replace the placeholders (A, B and C) with the correct terminology. Carefully consider the statements below and choose the correct one (3 marks)**
    a. A = Purchases of raw materials; B = Closing inventory of raw materials; C = Prime Cost
    b. A = Closing inventory of raw materials; B = Purchases of raw materials; C = Cost of goods sold
    c. A = Opening inventory of finished goods, B = Closing inventory of raw materials; C = Cost of goods sold
    d. A = Purchases of raw materials; B = Closing work in process inventory; C = Cost of goods sold
    e. None of the above options is correct.
41. **Replace the placeholders (D and E) if F = Cost of goods manufactured transferred to finished goods. Carefully consider the statements below and choose the correct one (2 marks)**
    a. D = Total Manufacturing overheads; E = Prime Cost
    b. D = Total Manufacturing overheads; E = Opening Work in process inventory
    c. D = Opening Work in process inventory; E = Cost of goods manufactured transferred to finished goods
    d. D = Total Manufacturing overheads E = Goods available for sale
    e. None of the above options is correct

This information relates to Questions 42 and 43. Balances obtained from the company's records for the year ended 31 October 2025:

Raw material (1 November 2024)	90,000
Raw material (31 October 2025)	98,000
Work in process (1 November 2024)	35,000
Work in process (31 October 2025)	24,000
Finished Goods (1 November 2022)	40,000
Finished Goods (31 October 2025)	100,000
Raw Material purchased	250,000
Freight on direct materials	5,000
Direct labour	100,000
Indirect labour	4,000
Supervisors' wages	8,000
Salaries admin staff	4,500
Indirect material used	3,000
Selling and administrative costs	13,800

42. **From the information provided, calculate the direct materials available for use (3 marks).**
    a. N$345,000
    b. N$340,000

c. N$300,000
d. N$242,000
e. None of the above options is correct

43. From the information above, calculate the period costs (2 marks)

a. N$19,500
b. N$4,500
c. N$13,800
d. N$7,000
e. None of the above options is correct

Questions 44-57

Cash budget (Theory, calculations and application in the accounting records) (24 marks)

44. Choose the correct statement (1 mark)

a. A cash budget indicates the debtors' and creditors' outstanding balances
b. A cash budget is part of a set of financial statements
c. A cash budget states all the cash inflows and outflows for a specific period of time
d. A cash budget is done to calculate profits
e. None of the above options is correct.

45. The following are reasons why a cash budget and profit or loss statement may differ. Choose the incorrect option (1 mark)

a. Depreciation is not included
b. Loans are not included
c. Dividends are not included
d. Cash sales are not included
e. None of the above options is incorrect.

46. A cash budget consists of certain elements. Choose the incorrect option (1 mark)

a. Cash received from customers
b. Cash paid to customers
c. Cash paid for operating expenses
d. Cash paid for purchases
e. None of the above options is incorrect.

47. The following transactions will be shown as an outflow in the cash budget. Which one of the options is incorrect (1 mark)

a. Cash to credit suppliers (purchases)
b. Cash to cash suppliers (purchases)
c. Credit customers settle their accounts
d. Cash to operating expenses
e. All of the above options are a cash outflow

48. Net cash flow will be calculated as (3 marks)

a. Opening cash balance, plus all cash sales, less cash purchases
b. Cash inputs less cash outputs
c. Cash outputs less cash inputs
d. Opening cash balance, plus all cash receipts, less all cash payouts
e. None of the above options is correct.

49. Which one of the following statements regarding a cash budget is NOT true (1 mark)

a. Cash budgets show the estimated opening balance at the beginning of the budget period.
b. Cash budgets are short-term in nature.
c. Cash budgets show the estimated cash balance at the end of a specific period.
d. Cash budgets include loan repayments.
e. None of the above

50. The business sells goods at a 30% markup. What would the selling price be if it sold an item costing N$800 (1 mark)

a. N$240
b. N$1,040
c. N$1,360
d. N$1,400
e. None of the above

51. What is the effect of dividends received on a cash budget (1 mark)

a. Cash inflow will increase
b. Cash inflow will decrease
c. Cash outflow will decrease
d. Dividends are not shown in the cash flow
e. None of the above

52. What is the effect of dividends declared on a cash budget (1 mark)

a. Cash inflow will increase
b. Cash inflow will decrease
c. Cash outflow will decrease
d. None of the above

53. A cash budget is a summary of (1 mark)

a. All cash payments and receipts
b. All payments and receipts
c. Estimated cash payments and receipts
d. Estimated payments and receipts
e. None of the above

54. Which of the following will appear on a cash budget (1 mark)

a. Collection from debtors
b. Dividends paid
c. Income tax paid
d. None of the above
e. All of the above

You are provided with the following information for Company A.
Sales are expected to be N$20,000 in January and are projected to grow at a rate of 10% per month. Sixty per cent of the sales are cash sales, while the remaining 40% are paid within one month after the sale.
Purchases of N$6,000. Purchases are paid in cash on the day of the purchase. Purchases are made on the first day of the month. Other operational expenses of N$5,000 per month, paid at the end of each month.
Cash of N$50,000 is available on 1st February
Use this information to answer Questions 55-57.

55. What are the total collections in February (2 marks)

a. N$22,000
b. N$13,200
c. N$8,000
d. N$21,200
e. None of the above

56. Assume a total collection of N$22,000 and payments as shown in the information, how much is the net cash at the end of February (4 marks)

a. N$61,000
b. N$11,000
c. N$22,000
d. N$72,000
e. None of the above

57. How much is the total sales from January to March (5 marks)

a. N$92,820
b. N$80,000
c. N$55,692
d. N$26,480
e. None of the above

End of the examination paper

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BAC1B 1st Opp 2025 (57Q) (5055)

Student Name

Student Number

Mode of Study/Centre

1	A	B	C	D	E
2	A	B	C	D	E
3	A	B	C	D	E
4	A	B	C	D	E
5	A	B	C	D	E
6	A	B	C	D	E
7	A	B	C	D	E
8	A	B	C	D	E
9	A	B	C	D	E
10	A	B	C	D	E
11	A	B	C	D	E
12	A	B	C	D	E
13	A	B	C	D	E
14	A	B	C	D	E
15	A	B	C	D	E
16	A	B	C	D	E
17	A	B	C	D	E
18	A	B	C	D	E
19	A	B	C	D	E
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44	A	B	C	D	E
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50	A	B	C	D	E
51	A	B	C	D	E
52	A	B	C	D	E
53	A	B	C	D	E
54	A	B	C	D	E
55	A	B	C	D	E
56	A	B	C	D	E
57	A	B	C	D	E

Student Nr

0	0	0	0	0	0	0	0	0
1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9

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THIS MEMORANDUM CONSISTS OF 15 PAGES (Including this front page)

"Develop a passion for learning. If you do, you will never cease to grow"

c. N$400
d. N$500
e. None of the above

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   a. Indirect cost
   b. Sunk cost
   c. Direct cost
   d. Unavoidable cost
   e. None of the above
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   b. Cost A is fixed, and Cost B is variable
   c. Cost A is variable, and Cost B is fixed
   d. Cost A is fixed, and Cost B is mixed

Questions 9-17

Materials and inventory control (Theory, application and calculations) (21 marks)

9. **Which of the following is not a recognised method to calculate the variable cost portion included in the mixed cost (1 mark)**
   a. High/Low method
   b. Least Square method
   c. Scatter Graph method
   d. Simple square method
   e. All options are recognised methods

The following information relates to Question 10. You are required to round all amounts to the nearest N$ throughout the calculation process

The following details relate to the Chocoholic CC inventory.
EOQ – 1,000 units
Lead time – 2 to 4 weeks
Minimum usage – 60 units per working day
Maximum usage – 80 units per working day

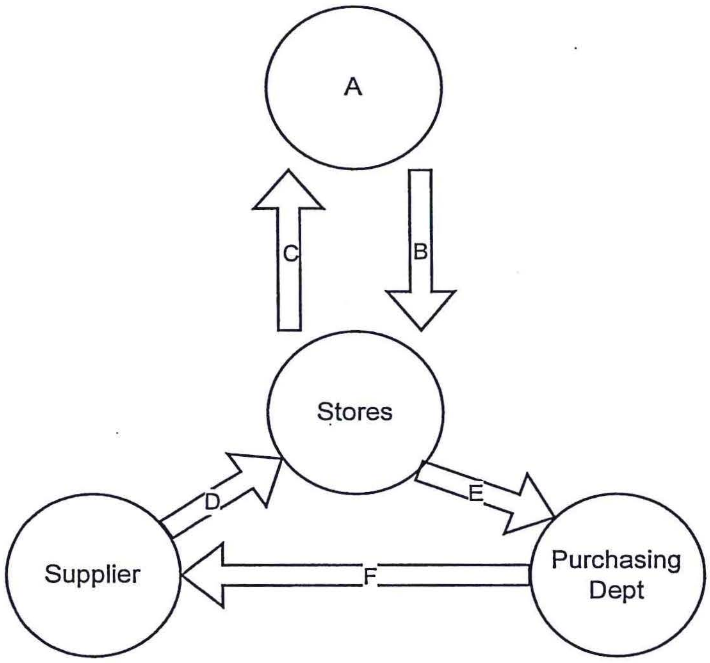
10. **Which one of the following is the normal reorder level (2 marks)**
    a. 1,050 units
    b. 210 units
    c. 205 units

e. None of the above

15. Assume a WIP opening inventory of N$20,000 and a closing inventory of N$15,000. How much inventory was transferred to finished goods (3 marks)

a. N$70,000
b. N$55,000
c. N$50,000
d. N$35,000
e. None of the options is correct

The diagram below illustrates the flow of inventory and the corresponding source documents. Placeholders A to F can represent: Goods requisition note; Issue goods to the production department; Purchase requisition Note; Production department; Purchase Order; Purchase Invoice.



16. Choose the correct option that represents placeholders A, B and C (3 marks)

a. A = Production department; B = Goods requisition note; C = Issue goods to the production department
b. A = Purchase Invoice; B = Goods requisition note; C = Purchase Order
c. A = Production department; B = Purchase Order; C = Purchase requisition Note
d. A = Purchase Order; B = Goods requisition note; Purchase Invoice

The following information relates to Questions 21-23.
A normal week is 40 hours. Anne worked 48 hours during the week and 5 hours on Sunday. Only the Sunday overtime relates to a specific order. The normal hourly rate is N$200. PC Toys applied the overtime rate as stipulated in the Labour Act.

21. The overtime allocated to direct labour will be (1 mark)

a. N$1,000
b. N$2,000
c. N$800
d. N$2,400
e. None of the above

22. **The overtime allocated to manufacturing overheads will be (1 mark)**

a. N$1,300
b. N$2,400
c. N$800
d. Zero
e. None of the above

23. Assume all the overtime worked is non-specific in nature, the amount allocated to manufacturing overheads will be (2 marks)

a. N$4,400
b. N$1,000
c. N$800
d. N$1,300
e. None of the above

The following information relates to Questions 24 to 29. Mary receives a housing allowance of N$4,000 and a basic salary of N$15,000 per month. She worked five hours of overtime, but the employer did not pre-approve the overtime. Approved overtime is paid at N$200 per hour. Mary contributes towards a pension fund; the total contribution is 10% of pensionable income. Mary contributed N$1,000 towards the medical aid. The employer does not contribute towards the medical aid fund. PAYE is calculated at 20% of taxable income.

24. Calculate Mary's gross wage (2 marks)

a. N$19,000
b. N$20,000
c. N$15,000
d. N$17,500
e. None of the above

This information relates to Questions 30 to 33

A bakery employs Lucas to decorate chocolate cakes. Based on normal wages, he received N$100 per standard hour, and a piecework rate of N$90. The bakery estimates that it would take 15 minutes to decorate a cake. During the 8 hours, he decorated 30 cakes. Considering the Labour Act, the employer agreed to pay at least 70% of the normal wage. Please carefully consider the information above and answer the following questions.

30. How many cakes is Lucas supposed to decorate per hour (1 mark)

a. Two cakes.
b. Three cakes
c. Four cakes
d. Five cakes
e. None of the above

31. Based on the information, how does the actual cake decorating differ from the estimated decorating tempo (1 mark)

a. Lucas decorated two fewer cakes than supposed to, according to the estimates.
b. Lucas decorated 12 fewer cakes than supposed to, according to the estimates.
c. Lucas decorated two more cakes than supposed to, according to the estimates.
d. The information is insufficient.
e. None of the above

32. How much is Lucas paid for decorating one cake (1 mark)

a. N$17.50 per cake
b. N$90 per cake
c. N$70 per cake
d. N$22.50 per cake
e. None of the above

33. How will the remuneration for the cake decorating be classified? Choose the correct option (1 Mark)

a. Direct Labour
b. Indirect Labour
c. Period Costs
d. Sunk Cost
e. None of the above

Questions 34-38

Manufacturing overhead control (Theory, application in the accounting records and calculations) (10 marks)

34. The formula to calculate the predetermined overhead rate for the allocation of overheads is (1 mark)

a. Total actual overhead/total actual activity

Option B

Date	Details	N$	Date	Details	N$
1	Bank	50,000	15	Production	52,000
30	Cost of Sales	2,000			

Option C

Date	Details	N$	Date	Details	N$
15	Production	52,000	1	Bank	50,000
			30	Production	2,000

Option D

Date	Details	N$	Date	Details	N$
1	Bank	50,000	15	Cost of Sales	52,000
30	Cost of Sales	2,000			

Questions 39-43

Manufacturing accounts (Theory, calculations and application in the accounting records) (13 marks)

39. Raw materials used could be calculated as (3 marks)

a. Opening inventory of raw materials, less purchasing raw materials, plus closing inventory of raw materials
b. Purchase of raw materials, less closing inventory of raw materials
c. Opening inventory of raw materials, plus purchasing raw materials, less closing inventory of raw materials
d. Closing inventory of raw materials, plus purchasing of raw materials, less opening inventory of raw materials
e. None of the above options is correct.

The information below relates to Questions 40 and 41. Accountants use a specific format to compile a cost of goods manufactured statement. Carefully consider the format below and fill in the missing terminology.

Raw Materials		
Opening inventory	xxx	
Plus: **A**	xxx	
Raw materials available for use	xxx	
Deduct: **B**	(xxx)	
Raw materials used in production		xxx
Add: Direct Labour		xxx
C		xxx
Add: **D**		xxx
Total manufacturing cost transferred to work in process		xxx
Add: **E**		xxx
Deduct: Closing work in process inventory		(xxx)

c. N$300,000
d. N$242,000
e. None of the above options is correct

43. From the information above, calculate the period costs (2 marks)

a. N$19,500
b. N$4,500
c. N$13,800
d. N$7,000
e. None of the above options is correct

Questions 44-57

Cash budget (Theory, calculations and application in the accounting records) (24 marks)

44. Choose the correct statement (1 mark)

a. A cash budget indicates the debtors' and creditors' outstanding balances
b. A cash budget is part of a set of financial statements
c. A cash budget states all the cash inflows and outflows for a specific period of time
d. A cash budget is done to calculate profits
e. None of the above options is correct.

45. The following are reasons why a cash budget and profit or loss statement may differ. Choose the incorrect option (1 mark)

a. Depreciation is not included
b. Loans are not included
c. Dividends are not included
d. Cash sales are not included
e. None of the above options is incorrect.

46. A cash budget consists of certain elements. Choose the incorrect option (1 mark)

a. Cash received from customers
b. Cash paid to customers
c. Cash paid for operating expenses
d. Cash paid for purchases
e. None of the above options is incorrect.

47. The following transactions will be shown as an outflow in the cash budget. Which one of the options is incorrect (1 mark)

a. Cash to credit suppliers (purchases)
b. Cash to cash suppliers (purchases)
c. Credit customers settle their accounts
d. Cash to operating expenses
e. All of the above options are a cash outflow

54. Which of the following will appear on a cash budget (1 mark)

a. Collection from debtors
b. Dividends paid
c. Income tax paid
d. None of the above
e. All of the above

You are provided with the following information for Company A.
Sales are expected to be N$20,000 in January and are projected to grow at a rate of 10% per month. Sixty per cent of the sales are cash sales, while the remaining 40% are paid within one month after the sale.
Purchases of N$6,000. Purchases are paid in cash on the day of the purchase. Purchases are made on the first day of the month. Other operational expenses of N$5,000 per month, paid at the end of each month.
Cash of N$50,000 is available on 1st February
Use this information to answer Questions 55-57.

55. What are the total collections in February (2 marks)

a. N$22,000
b. N$13,200
c. N$8,000
d. N$21,200
e. None of the above

56. Assume a total collection of N$22,000 and payments as shown in the information, how much is the net cash at the end of February (4 marks)

a. N$61,000
b. N$11,000
c. N$22,000
d. N$72,000
e. None of the above

57. How much is the total sales from January to March (5 marks)

a. N$92,820
b. N$80,000
c. N$55,692
d. N$26,480
e. None of the above

End of the examination paper

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Student Name

Student Number

Mode of Study/Centre

1	A	B	C	D	E	24	A	B	C	D	E	47	A	B	C	D	E
2	A	B	C	D	E	25	A	B	C	D	E	48	A	B	C	D	E
3	A	B	C	D	E	26	A	B	C	D	E	49	A	B	C	D	E
4	A	B	C	D	E	27	A	B	C	D	E	50	A	B	C	D	E
5	A	B	C	D	E	28	A	B	C	D	E	51	A	B	C	D	E
6	A	B	C	D	E	29	A	B	C	D	E	52	A	B	C	D	E
7	A	B	C	D	E	30	A	B	C	D	E	53	A	B	C	D	E
8	A	B	C	D	E	31	A	B	C	D	E	54	A	B	C	D	E
9	A	B	C	D	E	32	A	B	C	D	E	55	A	B	C	D	E
10	A	B	C	D	E	33	A	B	C	D	E	56	A	B	C	D	E
11	A	B	C	D	E	34	A	B	C	D	E	57	A	B	C	D	E

12	A	B	C	D	E	35	A	B	C	D	E
13	A	B	C	D	E	36	A	B	C	D	E
14	A	B	C	D	E	37	A	B	C	D	E
15	A	B	C	D	E	38	A	B	C	D	E
16	A	B	C	D	E	39	A	B	C	D	E
17	A	B	C	D	E	40	A	B	C	D	E
18	A	B	C	D	E	41	A	B	C	D	E
19	A	B	C	D	E	42	A	B	C	D	E
20	A	B	C	D	E	43	A	B	C	D	E
21	A	B	C	D	E	44	A	B	C	D	E
22	A	B	C	D	E	45	A	B	C	D	E
23	A	B	C	D	E	46	A	B	C	D	E

Student Nr

0	0	0	0	0	0	0	0	0
1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9