



ΠΑΜΙΘΙΑ
UNIVERSITY
OF SCIENCE AND
TECHNOLOGY

HP-GSB
HAROLD PUPKEWITZ
Graduate School of Business

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

**HAROLD PUPKEWITZ GRADUATE SCHOOL OF BUSINESS(HP-GSB)
HAROLD PUPKEWITZ GRADUATE SCHOOL OF BUSINESS**

QUALIFICATION: DIPLOMA IN BUSINESS PROCESS MANAGEMENT	
QUALIFICATION CODE: 06DBPM	LEVEL: 6
COURSE CODE: BAC621C	COURSE NAME: INTRODUCTION TO BUSINESS MANAGEMENT
SESSION: JUNE 2023	PAPER: PAPER 1
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER	Sheehama, K.G.H.
MODERATOR	Odada, L

INSTRUCTIONS
<ol style="list-style-type: none">1. Answer ALL the questions.2. Write clearly and neatly, showing all your workings3. Number the answers clearly.4. Round off your final answers to 2 decimal places

PERMISSIBLE MATERIALS

1. Examination paper
2. Examination script
3. Non-programmable calculator

THIS QUESTION PAPER CONSISTS OF 5 PAGES (including this front page)

QUESTION 2**(27 Marks)**

Troublesome Ltd produces a single product. The company uses a standard absorption costing system and at the beginning of the year a budget was drawn up for the production of 9 000 units at the following standard cost per unit:

	<u>N\$</u>
Direct material 0.10 kg at N\$50 per kg	5
Direct labour one labour hours at N\$25 per hour	25
Variable overheads ½ machine hour at N\$16 per hour	<u>8</u>
	<u>38</u>

The actual costs recorded were as follows:

- Total direct material was 800 kg at N\$49 per kg.
- 7 700 direct labour hours at N\$26 per direct labour hour
- Variable overheads, N\$60 750
- Actual machine hours, 4 050 hours.
- Actual production, 7 800 units.

REQUIRED:

Compute the following:

(3 marks each)

- Direct material quantity variance
- Direct material price variance
- Total material variance
- Direct labour efficiency variance
- Direct labour rate variance
- Total labour variance
- Variable production overhead expenditure variance
- Variable production overhead efficiency variance
- Total variable production variance

QUESTION 5**(20 Marks)**

Hi-Tech CC produces software appliances in Windhoek. The following information shows fixed and total expenses at the 8 000 units and 10 000 units level of activities:

Item	Fixed N\$	Cost	
		8 000 N\$	10 000 N\$
Direct material cost		20 per unit	20 per unit
Direct labour		90 000	112 500
Supervision	50 000	50 000	50 000
Indirect materials	2 500	1.5 per unit	1.5 per unit
Property tax	30 000	30 000	30 000
Maintenance	60 000	140 000 (mixed)	160 000 (mixed)
Power	20 000	20 000	20 000
Insurance	17 500	17 500	17 500

REQUIRED: Prepare a flexible budget at the 9 000 level of activity showing the relevant workings.

END OF QUESTION PAPER