



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE

QUALIFICATION: BACHELOR OF ACCOUNTING	
QUALIFICATION CODE: 07BGAC	LEVEL: 5
COURSE CODE: CMA512S	COURSE NAME: COST & MANAGEMENT ACCOUNTING 102
SESSION: DECEMBER 2025	PAPER: THEORY AND CALCULATIONS
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
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INSTRUCTIONS
<ol style="list-style-type: none">1. This question paper consists of SIX (6) questions2. Answer ALL questions in blue or black ink only. NO PENCIL.3. Start each question on a new page, and number the answers correctly and clearly.4. Write clearly and neatly, showing all your formulas and workings.5. Questions relating to this examination may be raised in the initial 30 minutes after the start of the examination. Thereafter, candidates must use their initiative to deal with any perceived errors or ambiguities, and any assumptions made by the candidate should be clearly stated.

PERMISSIBLE MATERIALS

- Silent, non-programmable calculators

THIS EXAMINATION QUESTION PAPER CONSISTS OF 6 PAGES (excluding this cover page)

QUESTION 1**[20 MARKS]**

For questions 1.1 – 1.10, just write the answer only (the correct letter chosen) in your answer sheet/answer book and not on the question paper. Do not copy the question and the answers again.

- 1.1 Where there is mass production of homogeneous units or where few products are produced in batches, which of the following cost drivers would be regarded as the best base for the determination of factory overhead absorption rate?
- a) Number of units produced
 - b) Labour hours
 - c) Prime cost
 - d) Machine hours
 - e) None of the above
- 1.2 It is possible for an item of overhead expenses to be shared amongst many departments. It is also possible that this same item may relate to just one specific department. If the item was charged specifically to a single department, this would be an example of?
- a) Tracing
 - b) Allocation
 - c) Re-apportionment
 - d) Absorption rate
 - e) None of the above
- 1.3 The predetermined overhead rate is calculated as?
- a) Budgeted total manufacturing overhead divided by the budgeted activity level of application base
 - b) Budgeted total manufacturing overhead divided by the actual activity level of application base
 - c) Actual total manufacturing overhead divided by budgeted activity level of application base
 - d) Actual total manufacturing overhead divided by actual activity level of application base
 - e) None of the above
- 1.4 Cost apportionment involves:
- a) The allocation of direct costs to departments
 - b) Sharing out of overheads to service departments
 - c) The sharing out of common costs to departments
 - d) The sharing out of costs to products

- e) None of the above
- 1.5 Which of the following would be an inappropriate method of apportioning service department costs?
- a) Apportioning based on floor area
 - b) Apportioning based on service department activity
 - c) Sharing costs equally between departments
 - d) Apportioning based on number of employees
 - e) None of the above
- 1.6 Overtime premium is normally classified under which element of product cost?
- a) Indirect material
 - b) Direct labour
 - c) Overheads
 - d) Prime cost
 - e) None of the above
- 1.7 Which of the following is not an employee fringe benefit
- a) Authorization to use a company car for personal use
 - b) Housing allowance
 - c) Employer-sponsored gym subscriptions
 - d) Money paid as overtime
 - e) None of the above
- 1.8 Workers of Malibu Seawork have not worked for two days due to the breakdown of the fish processing plant. The two days are normally referred to as:
- a) Holiday time
 - b) Vacation leave
 - c) Idle time
 - d) Labour recovery rate
 - e) None of the above
- 1.9 Which of the following statements regarding employee remuneration is false?
- a) Income tax (PAYE) on employees' salaries is calculated on gross pay
 - b) Employees' pension fund contribution is normally calculated on basic wages
 - c) Tax deducted from employees' salaries is paid over to the Receiver of Revenue by the employer
 - d) On public holidays, employees will still be paid their normal salary
 - e) None of the above

1.10 Overtime premium pay may be correctly defined as:

- a) The bonus paid to skilled workers.
- b) The increased payment during overtime hours is due to increased rates of pay.
- c) The payment for all hours is more than the basic working week.
- d) A premium paid to workers to compensate for fatigue.
- e) None of the above

QUESTION 2

[19 MARKS]

Chick McFarm has developed a new recipe to cook chicken pieces and has decided to open a takeaway restaurant in Katutura. Chick McFarm asks NUST for help with the market research.

The University finds that Chick McFarm should sell 700 chicken pieces, on average, per month.

The following total costs are available:

- Chicken pieces N\$31 500

Other ingredients:

- Salt N\$50
- Onion powder N\$385
- Garlic powder N\$455
- Olive oil N\$840

Chick McFarm provides you with other costs that should be incurred in the take-way restaurant for the month as follows:

- Chef salary N\$25 500
- Supervisor's salary N\$50 000
- Depreciation of cooking equipment N\$15 000
- Cleaner salary N\$5 000

Requirements: Calculate the following total costs per month		MARKS
a)	Indirect materials cost	5
b)	Prime cost	3
c)	Manufacturing overhead cost	5
d)	Conversion cost	3
e)	Indirect labour cost	3

QUESTION 3**[15 MARKS]**

Fashionista, a self-employed worker started a business of selling Fashion T-shirts by investing N\$200 000 of his savings into the business. He imports the fashion T-shirts from Brazil.

On July 2025, there was a theft of the Fashion T-shirts housed at Fashionista's warehouse. He is unsure of the number of Fashion T-shirts that were stolen. However, with his limited knowledge of accounting this has been an epic fail. Fashionista has asked you to assist in this regard, as you are studying towards your Bachelor of Accounting degree. The following information, as set out below, has been provided to you:

- The inventory recovered from the theft amounted to N\$14 400.
- The inventory balance of Fashion T-shirts on hand on 31 July 2025 were 100 at N\$75 each.
- 8 August 2025: 400 Fashion T-shirts were purchased @ N\$220.00 per T - Shirt. The supplier gave a discount of 5% on this price due to early payment.

Date of receipt	Units purchased (T-Shirts)	Cost	Date of dispatch	Units sold (T- Shirts)	Selling Price
7 August 2025	200	N\$43 200 (in total)	12/8/2025	500	N\$250
8 August 2025	400		15/8/2025	50 (see notes 1 below)	
13 August 2025	450	N\$200 (per unit)			

NB: Notes 1: Fashionista returned Fashion T-shirts on 15 August 2025 to the supplier. These Fashion T-shirts relate to the purchase made on 8 August 2025.

Requirements:

Prepare a detailed stores ledger card and calculate the value of the remaining closing inventory on August 15, 2025, after the theft took place, using the weighted average (AVCO) inventory valuation method. (15)

QUESTION 4**[10 MARKS]**

Kandetú and Collen are vessel technicians at Sea Sharks, a fishing company. Kandetú is remunerated at N\$50 per hour and Collen at N\$45 per hour. Both employees have a 40-hour work week.

The following information is available in respect of deductions from their gross remuneration:

- Taxable medical aid: 5% of the basic wage payable by each employer and the employee
- Pension fund: 8% of the basic wage payable by each employer and the employee
- PAYE: 25% for Kandetú and 18% for Collen
- Social Security: 0,9% of gross income payable by each of the employer and the employee
(Note: In Namibia, this contribution is limited to a maximum of N\$91 per month)

The two employees worked as follows for the week ending 11 February 2025

	Kandetu Hours	Collen Hours
Monday	10	10
Tuesday	10	8
Wednesday	8	9
Thursday	10	9
Friday	8	8
Saturday	4	0
Sunday	0	3

Overtime is remunerated as follows:

Normal overtime: 1½ times the basic rate

Sundays and public holidays: twice the basic rate

Requirement:	MARKS
Calculate the net wage payable to Collen to the nearest dollar	10

QUESTION 5

[12 MARKS]

The NUST's transport department operates a fleet of various vehicles. These vehicles are used as needed by the various schools. Each month a statement is prepared for the transport department comparing actual results with the budget.

One of the items in the transport department's monthly statement is the cost of vehicle maintenance. This maintenance is performed by the department's employees. To facilitate his control, the transport manager has asked that future statements show vehicle maintenance costs analysed into fixed and variable costs. Data from the previous six months July to December 2010 inclusive are given below:

<u>Month</u>	<u>Vehicle maintenance costs</u> N\$	<u>Vehicle running hours</u>
July	12 000	10 500
August	8 250	6 500
September	7 500	4 000
October	9 750	7 500
November	10 750	9 000
December	19 500	12 000

Requirements:

- 5.1 Use the high-low method to determine the total fixed cost and the variable cost per hour. (4)
- 5.2 What vehicle maintenance costs would you expect to be incurred at the level of 11,000 running hours? (5)
- 5.3 Determine the fixed cost per hour to be incurred at the level of 3 000 running hours? (3)

QUESTION 6**(24 marks)**

Lewi Limited has provided you with the following information for the year ended 31 December 2024:

Inventory	1/1/2024	31/12/2024
	N\$	N\$
Finished products	27 000	25 000
WIP	25 000	27 000
Direct material	65 000	52 000
		N\$
Sales		400 000
Direct labour		73 000
Telephone (60% factory; 40% administration)		5 000
Water and lights (70% factory; 30% administration)		10 000
Direct material purchased		20 000
Indirect material used		9 800
Freight on direct material		2 000
Freight on sales	1 000	
Depreciation (50% factory; 50% administration)	19 000	
Indirect labour	15 400	
Rent (80% factory; 20% administration)	40 000	

Requirements:

- 6.1 Compile a Statement of cost of goods manufactured and sold for the year ended 31 December 2024. (21)
- 6.2 If 1 000 units were manufactured, what was the cost of one unit? (3)

END OF EXAMINATION QUESTION PAPER