Assessment schedule – 2007

Accounting: Process financial information for a manufacturing job cost subsystem (90502)

Evidence Statement

Note: candidates must have a **complete** general journal entry before awarding **S** or **C** for general journal entries.

Question	Evidence				Code	
ONE	**General Journal**					
(a)	07/07/07	Accounts Receivable / *Bike Warehouse*	3 960		**S**	
		Sales (Job 177)		3 520	**S**	**C**
		GST		440	**S**	
(b)	25/07/07	Finished Goods (Control) (Job 77)	6 000		**S**	**C**
		Work-in-progress (Control) (Job 77)		6 000	**S**	

Judgement:
- **S** for correct stem and figure **in correct column**
- **C** for all three / two correct figures if all **S** awarded.

(c)	Work-in-progress Subsidiary Ledger – Job 79					
(3-column form)	31/07/07	(Raw) Materials	1 200		1 200	Dr	
		(Direct) Labour (Control) / Payroll	6 000		7 200	Dr	**S C**
		(Factory) Overhead (Control)	1 800		9 000	Dr	**S C**

Marking Work-in-progress Subsidiary Ledger – Job 79

If 3-column is used:
- **S** for appropriate stem and a figure in the debit column followed by correct treatment (added) in the balance column
- **C** for correct figure in debit column, if **S** awarded.

If T-form is used:
- **S** for appropriate stem and a figure on debit side
- **C** for correct figure on debit side if **S** awarded
- **SC cannot** be awarded for either entry if the account is not balanced correctly, based on the entries recorded. Minimum for a balance is a total in the debit column unless the student has a credit entry in which case either both sides add to the same or a balance has been correctly brought down to the debit side.

Ignore dates and maths errors.
Note: if finished goods added and account closed lose one C.

(d)		Cycle Time Ltd			Materials Requisition		No.	2681
		Job No.	**80**			Date *23 July 2007*		
		Quantity	**Description**			**Unit Cost**	**Amount $**	
		15 m		**Steel tubing**		**24**	**360**	
			Authorised by:				**W Kingi**	
			Material received by:				*K Green*	

Judgement:
Either
SS for all correct
or
S where there is only ONE error – one error includes no reference to metres for the steel tubing, steel instead of steel tubing, an incorrect unit cost and / or amount – counts as one error
Note for the 15m must have metres – can be included in the description cell
Signature can have production manager added

(e)

All direct labour (and overhead) associated with Job 80 will be charged to that job from / using the hours shown on the timesheet.

Overhead can be correctly added to the job based on the hours worked from the time sheet.

Judgement:
Award **S* S*** for:
- first **S*** identifies that the timesheet will be used to charge (direct) labour cost to Job (80) – must indicate that it is labour cost by direct reference or by hours used to apply cost (indirect reference)
- second **S*** for overhead also being correctly added / calculated.

Not to show time spent on the job / hours worked on the job by itself / not to stop employees falsifying hours – this does not answer the question which is about costing Job 80.

(f)

The job cost card should record all costs associated with Job 80, which will ensure a price is charged that is sufficient to cover costs and generate profit.

Judgement:
Award **S*S*** for:
- 1st **S*** just says records all cost associated with Job (80) / how much Job (80) will cost / needs to imply all costs

plus
- 2nd **S*** identifies the effect on pricing and thus profitability but must imply the price charged will be greater than the cost so a profit is made.

Answers like to determine
- Price to cover costs of the job – one S
- Price to cover costs plus profit for the job – two S

Not – to ensure the (right) price is charged for the job – no reference to using the costs on the card to establish the price.

Question	Evidence	Code
TWO **(a)**	120 000 ÷ 24 000 = $5 per machine hour.	**C**
(b)	The allocation rate is based on estimates of the cost driver / labour hours and overhead. The estimated rate is **applied to actual results**. Because actual results for both cost driver / machine hours and overhead will **differ** from budget / estimates, the applied overhead using the rate will be different to the actual overheads incurred **Judgement:** Award **S* S*** for: • **S** explains that actual overhead will differ from (applied) overhead using estimated rate • **S** for rate is based on estimates that will be applied to actual (machine hours).	**S*** **S***

(c) (3-column form)

Cost of Goods Sold

01/03/07	Balance			450 000	Dr	
31/03/07	Finished Goods (Control)	75 000		525 000	Dr	**S**
	(Factory) Overhead (Control)	7 000		532 000	Dr	**S**
						Sb

Marking *Fun Beds Ltd*' Cost of Goods Sold account
If 3-column is used:
• **S** for appropriate stem and correct figure in debit column followed by correct treatment (added) in the balance column.
• **Sb** for correct balance of 532 000 Dr

If T-form is used:
• **S** for appropriate stem and correct figure on debit side
• **Sb** for correct balance 532 000 brought down to the debit side or as a total on the debit side
• **S cannot** be awarded for either entry if the account is not balanced correctly, based on the entries recorded.

Ignore dates and maths errors.

Overall Judgement Statement

Achievement	Achievement with Merit	Achievement with Excellence
8 × **S** *or* if less than 8 × **S** 10 × **S** / **C**	3 C *plus* 12 more **S** / **C**	14 × **S** *plus* 4 × **C**