

For Supervisor's use only

# 3

**90502**



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA



National Certificate of Educational Achievement  
TAUMATA MĀTAURANGA Ā-MOTU KUA TAEA

## Level 3 Accounting, 2006

### 90502 Process financial information for a manufacturing job cost subsystem

Credits: Three

2.00 pm Thursday 23 November 2006

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

You should answer ALL parts of the question in this booklet.

If you need more space for any answer, use the page(s) provided at the back of this booklet and clearly number the question.

Check that this booklet has pages 2–6 in the correct order and that none of these pages is blank.

**YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.**

<i>For Assessor's use only</i>		<b>Achievement Criteria</b>	
<b>Achievement</b>		<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
Prepare and / or explain accounting entries correctly for a manufacturing job cost subsystem.	<input type="checkbox"/>	Prepare and / or explain a range of accounting entries correctly for a manufacturing job cost subsystem.	Prepare and explain a wide range of accounting entries correctly for a manufacturing job cost subsystem.
		<b>Overall Level of Performance</b> <input type="checkbox"/>	

You are advised to spend 20 minutes answering the questions in this booklet.

Study the information below and answer all parts of the question that follows.

*Mad About Pots* manufactures a variety of handcrafted terracotta pots. Pots are made in batches to order from customers. No finished goods inventory is kept.

The following table shows the unit costs for handcrafted terracotta pots.

	<b>Terracotta Pots per pot</b>
Raw Materials	\$20.00
Direct Labour	\$45.00
Machine Hours	1.5 Hours
Mark-up Percentage	60 %

Factory overhead expenses are applied to each job at \$10 per machine hour.

### QUESTION ONE

- (a) On 1 September 2006, *Mad About Pots* accepted an order from *Pots + More* for 70 terracotta pots. The work commenced on 5 September 2006, and the job was completed and sold on 21 September 2006.

Complete the job cost sheet below showing the total cost of completing the order for *Pots + More*.

<b><i>Mad About Pots</i></b>	
<b>Job Cost Sheet</b>	<b>Job Number: 541</b>
<b>Customer:</b>	<b>Date Started:</b>
<b>Order Number: 875</b>	<b>Date Completed:</b>
<b>Number of pots:</b>	
<b>Particulars</b>	<b>Amount (\$)</b>
<b>Total cost:</b>	



- (f) Explain why *Mad About Pots* uses a pre-numbered materials requisition form to issue raw materials to jobs.

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- (g) The following information relates to *Mad About Pots* raw materials for the month of September 2006.

Raw Materials	\$
Raw materials on hand on 1 September 2006	14 000
Raw materials purchased on credit including GST	18 000
Raw materials issued to jobs	12 000
Indirect materials issued	3 000

Prepare *Mad About Pots* Raw Materials Control account for the month of September. Use EITHER the 3-column format OR the T-form format. **DO NOT write in both versions.**

**EITHER** 3-column

***Mad About Pots Ltd***  
**General Ledger**  
**Raw Materials Control**


**OR** T-form

**Raw Materials Control**


(h) At the end of September, factory overhead of \$1 000 had been over-applied to jobs.

Prepare the General Journal entry to close this amount to cost of goods sold. A narration is not required.

***Mad About Pots Ltd***  
**General Journal**

30/09/06			

