

90502



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

For Supervisor's use only

Level 3 Accounting, 2010

90502 Process financial information for a manufacturing job cost subsystem

Credits: Three

9.30 am Thursday 25 November 2010

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

Answer ALL the questions 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 2–8 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>		Achievement Criteria	
Achievement		Achievement with Merit	Achievement with Excellence
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.
		<input type="checkbox"/>	<input type="checkbox"/>
		Overall Level of Performance <input type="checkbox"/>	

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

QUESTION ONE

This question relates to *Eze Garden Beds Ltd*, which is a manufacturer of self-assemble wooden garden beds. Customers order the garden beds in batches.

The following table shows the unit costs for the self-assemble wooden garden beds.

	Wooden Garden Beds (per bed)
Raw materials	\$50.00
Direct labour	\$20.00
Machine hours	0.5 Hours
Mark-up percentage	150 %

Factory Overhead expenses are applied to each job at **\$12 per machine hour**.

- (a) *Eze Garden Beds Ltd* has recently completed Job Number 213, the manufacture of 40 self-assemble wooden garden beds for a local garden centre.

You are required to complete the Job Card summary below to show the costs associated with this job.

<i>Eze Garden Beds Ltd</i>	
Job Card Summary	Job Number: 213
Particulars	Amount (\$)
Total Cost:	

- (b) State TWO pieces of important **pre-printed** information that are missing from the above Job Card summary.

(1) _____

(2) _____

- (c) Explain why, apart from answering customer queries, this job was given the unique Job Number of 213.

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On 1 September 2010, *Eze Garden Beds Ltd* paid \$6750 including GST of 12.5%, in cash, for the purchase of wood.

- (d) Show the General Journal entry to record the cash purchase of wood. A narration is **not** required.

Eze Garden Beds Ltd
General Journal

01/09/10			

In September raw materials costing \$900 were used but could not be traced directly to a job.

- (e) Show the General Journal entry to record the raw materials that could not be traced directly to a job. A narration is **not** required.

Eze Garden Beds Ltd
General Journal

30/09/10			

Job Number 251 was completed at the end of September and sold on 2 October 2010 on credit. The GST (12.5%) inclusive selling price of this job was \$5625

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- (f) Show the General Journal entry to record the transfer of the **cost price** of Job Number 251 from finished goods to costs of goods sold. A narration is **not** required.

Eze Garden Beds Ltd
General Journal

30/09/10			

- (g) Explain how management will use factory workers' timesheets and job cards to ensure that all direct labour cost **has been** charged to jobs.

Question Two begins on page 6.

QUESTION TWO

This question relates to *Sheds to Go Ltd*, which is a manufacturer of kitset garden sheds. The cost driver used to allocate overhead to jobs is machine hours.

The cost accountant for *Sheds to Go Ltd* has provided you with the following **estimated** and **actual** information associated with the manufacture of garden sheds for the year ended 31 March 2010.

	Estimate for year	Actual for year
Direct labour hours	15 000	17 000
Direct machine hours	36 000	39 000
Direct materials	300 000	320 000
Indirect materials cost	20 000	
Factory supervisor's salary	58 000	
Office supervisor's salary	54 000	
Other factory overheads	210 000	

Notes:

- Factory workers are paid \$15 per hour worked.
- Costs of jobs completed during the year was \$860 000.

(a) Calculate *Sheds to Go Ltd's* allocation rate for overhead. **Show your workings.**

\$ _____ per machine hour

(b) Calculate the total allocated factory overhead for the year. **Show your workings.**

Allocated factory overheads: \$ _____

(c) Explain **how** the cost accountant would use the allocated factory overheads figure in (b) above to calculate over-or-under-applied factory overhead.

- (d) Use the information on page 6 to complete the Work in Progress Control Account in the General Ledger for the year ended 31 March 2010. The balance on 1 March 2010 has been entered for you.

Use EITHER the 3-column format OR the T-form format.
DO NOT write in both versions.

EITHER 3-column:

Sheds to Go Ltd
General Ledger
Work in Progress Control Account

01/03/10	Balance			30 000	Dr
31/03/10					

OR T-form:

Sheds to Go Ltd
General Ledger
Work in Progress Control Account

01/03/10	Balance	30 000	31/03/10		
31/03/10					

