

UNIVERSITY OF SWAZILAND

DEPARTMENT OF ACCOUNTING

FACULTY OF COMMERCE

MAIN EXAMINATION PAPER

May 2017

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DEGREE / YEAR OF THE STUDY: BACHELOR OF EDUCATION YEAR II (FULL- TIME)

Title of Paper : INTRODUCTION TO COST &MANAGEMENT ACCOUNTING  
Course Code : ACF 214 (May) 2017  
Total Marks : 100  
Time Allowed : **THREE HOURS**

**Instructions**

- (i) There are **FOUR** Questions Answers to All
- (ii) Begin the solutions to each Question on a New page
- (iii) The marks awarded for each question are indicated at the end of the question
- (iv) Show all your workings
- (v) Calculations are to be made to zero decimal places of accuracy, unless otherwise Instructed.

**RECOMMENDATION:** Reading time should not exceed fifteen minutes

**Note:** You are reminded that in assessing your work, account will be taken of accuracy of the language and general quality of expression, together with layout and presentation of your answer.

**THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR  
OR SUPERVISOR**

**SPECIAL REQUIREMENT : CALCULATOR**

## QUESTION NO. 01

- i. What is cost accounting? Explain the difference between financial accounting and cost accounting. (Marks:12)
- ii. What do you understand by "Material Control"? Describe briefly its objectives of Material Control. (Marks: 13)

## QUESTION NO. 02

- i. Explain the different wage payment methods of an Employee. (Marks: 10)
- ii. What is a job order costing? Describe the main features of Job Order Costing. (Marks: 10)
- iii. Explain the difference between cost allocation and cost apportionment of Cost Accounting. (Marks: 05)

## QUESTION NO. 03

- i. In process A 100 units of raw materials were introduced at a cost E 1,000. labour cost E 600 and other expenditure incurred by the process was E.400.10% of normally loss in the course of manufactures and they possess a scrap value per unit cost E3. The output of process A was only 75 units. Prepare process account and abnormal loss account (Marks: 10)
- ii. The following was the expenditure on a contract for E6, 00,000 commenced on 1<sup>st</sup> January 2016. (Marks: 15)

Particulars	Amount
	E
Materials	1, 20,000
Wages	1, 64,400
Plant	20,000
Business charges	8,600

Cash received on account to 31<sup>st</sup> December, 2016 amounted to E2, 40,00being 80 Per cent of work certified; the value of materials in hand on 31-12-2016 was E 10,000. Prepare the contract account for 2016 showing the profit to be credited to the year's profit and loss account. Plant is to be depreciated at 10%.

## QUESTION NO.04.

- i. Explain the Advantages of Standard Costing. (Marks: 08)
- ii. Describe the Limitations of Break –Even –Analysis. (Marks: 07)
- iii. The following information is related to Supa Company Limited. (Marks:10)

Particulars	Amount E
Sales	3, 00,000
Variable Cost.	
Material      60,000	
Labour        30,000	
Direct Expenses 30,000	1, 20,000
Fixed Cost	1, 00,000
Profit	80,000

You are required to find out 1. Profit Volume Ratio. 2 Break –Even- Analyses  
 3. Margin of Safety 4. Sales Required to Earn a Profit of E 50,000 e. Profit at  
 Sales Level of E5, 00,000