

UNIVERSITY OF SWAZILAND
DEPARTMENT OF ACCOUNTING
FACULTY OF COMMERCE
SUPPLEMENTARY EXAMINATION PAPER

July 2018

**DEGREE / YEAR OF THE STUDY: BACHELOR OF COMMERCE YEAR-III
(FULL-TIME) & LEVEL FOUR (PART-TIME) NEW PROGRAMME**

Title of Paper : **INTERMEDIATE MANAGEMENT ACCOUNTING**
Course Code : ACF 314/IDEAC324 July 2018
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. Describe the limitations of Marginal Costing. (Marks: 11)
- ii. Explain the advantages Absorption Costing. (Marks: 08)
- iii. The following figures of sales and profits for two years are available in respect of a concern. (Marks; 06)

Year	Sales E	Profit E
2016	300,000	45,000
2017	360,000	69,000

You are required to find out 1. Profit –Volume- Ratio 2. Fixed Cost 3. Break- Even – sales Volume 4. Profit at an Estimated Sales of E 500,000

QUESTION NO. 02

- i. Describe the essentials of Budgetary Control. (Marks: 10)
- ii.. Define the Terms. a. Sales Budget b. Fixed Budget (Marks: 06)
- iii.. Explain the difference between Differential Cost Analysis and Marginal Cost Analysis (Marks: 09)

QUESTION NO.03

i.. From the following information you are required to calculate 1. Contribution 2. Profit Volume Ratio. 3. Break- Even – Sales Units. 4. Margin of Safety 5. Profit at estimated Sales Units 10,000 6. Sales units are required to earn a profit of E50, 000 (Marks: 13)

Selling price per unit (12,000 units)	E150
Variable cost per unit	E90
Fixed Cost	E600, 000

- ii. .Explain the limitations of Budgetary Control. (Marks: 12)

QUESTION NO. 04

i. Explain the advantages of Responsibility Accounting. (Marks: 08)

ii. Describe the characteristics of Good Budgeting. (Marks: 07)

iii. Prepare a manufacturing overhead budget and ascertain the manufacturing overhead rates at 50% and 70% capacities. The following particulars are given at 60% capacity

(Marks: 10)

Particulars	Amount
	E
Variable Overheads.	
Indirect material	6,000
Indirect labour	18,000
Semi- Variable Overheads	
Electricity (40% Fixed)	30,000
Repairs & Maintenance (20% variable)	3,000
Fixed Overheads	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total Overheads	93,000
Estimated direct labour hours	1, 86,000hrs