



08:30 – 11:30 AM

Names

Index number

TVET NATIONAL EXAMINATION, RTOF LEVEL 5, 2020-2021

QUESTIONS and ANSWERS BOOKLET

OPTION/TRADE: CUSTOMS AND TAX OPERATIONS

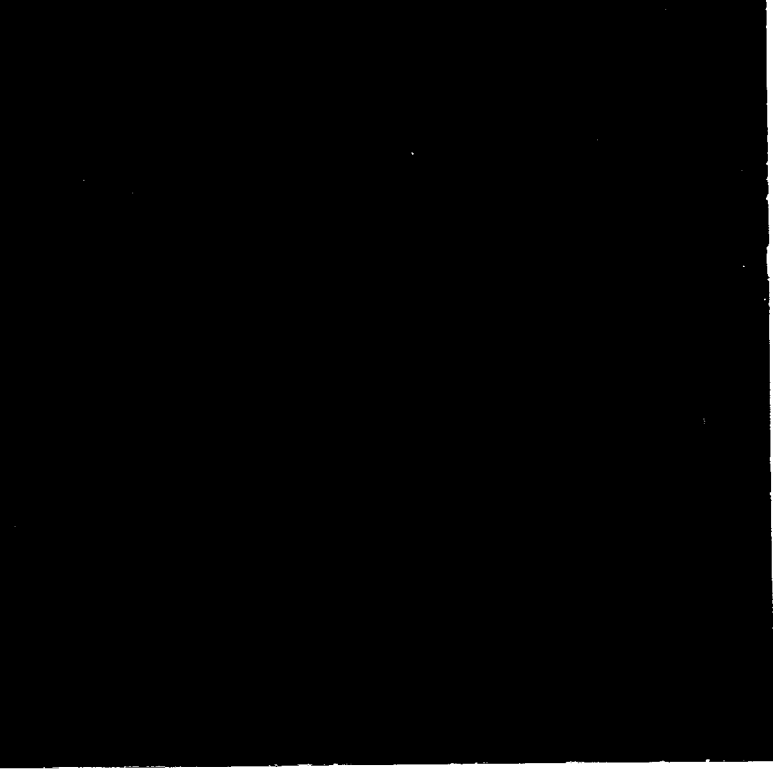
SUBJECT: Cost Accounting

ACADEMIC YEAR: 2020-2021

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TVET NATIONAL EXAMINATION, RTQF LEVEL 5, 2020-2021

INSTRUCTIONS TO CANDIDATES: PART I (Answer Booklet)

1. A candidate should fill in the actual names and the index number on the cover of this questions and answer booklet on the provided place (Black Box).
2. It is illegal for a candidate to write any of his/her names, index number or a school name inside the answer booklet.
3. A candidate should check if all pages of the answer booklet are complete. No candidate should remove or tear any pages or part of it from the answer booklet.
4. A candidate should answer in the language in which the examination is set. (See page **(ii)**)
5. A candidate should sign on the sitting plan when submitting the answer booklet. He/she has also to check if the answer booklet is well sealed.
6. No extra paper is allowed in the examinations room. If a candidate is caught with it his/her results will be nullified.
7. No candidate is allowed to write answers not related to the subject being sat for, otherwise it will be considered as a cheating case.
8. Write your answers on the 12 lined pages (From page 1 of 12 to page 12 of 12).
9. Use the last non-lined pages as draft.
10. Results for any candidate who is caught in examination malpractices are nullified. The cheating can be recognized during examinations administration, marking exercise or even thereafter.

TVET NATIONAL EXAMINATION, RTQF LEVEL 5, 2020-2021

OPTION/TRADE: CUSTOMS AND TAX OPERATIONS

SUBJECT: Cost Accounting

DURATION: 3 hours

INSTRUCTIONS TO CANDIDATES: PART II (Question Paper)

The paper is composed of two (2) main Sections as follows:

Section I: Attempt all the Twelve (12) questions (60 marks)

Section II: Attempt any Four (4) questions out of Six (6) (40 marks)

Allowed materials:

-Ruler and square

-Calculator

Note:

Every candidate is required to carefully comply with the provided assessment instructions.

Section I: Attempt all the Twelve (12) questions**(60 marks)**

01. a) Distinguish Costing from Cost Accounting. **(2 marks)**

b) Identify any three (3) purposes of Cost Accounting. **(3 marks)**

02. Match the following statements: (5 marks)

A.

| Column A | | Column B | |
|----------|----------------|----------|--|
| a) | Work study | i. | Analysis and classification of Job |
| b) | Time study | ii. | Analysis of work to eliminate unnecessary operations |
| c) | Job Evaluation | iii. | Evaluation of the worker |
| d) | Merit Rating | iv. | Procedure of fixing standard time |

B.

| Column A | | Column B | |
|----------|------------|----------|--------------------------------|
| a) | Automobile | i. | Accounts Handled |
| b) | Cement | ii. | Kilometre, Passenger-Kilometre |
| c) | KPMG | iii. | Number of vehicles |
| d) | Transport | iv. | Tonne |

03. a) What are the different elements of cost? **(2 marks)**

b) Differentiate the direct cost from indirect cost. **(3 marks)**

04. a) Identify any four (4) advantages of cost Accounting to the Administration? **(2 marks)**

b) Differentiate indirect expenses and overheads? **(3 marks)**

05. Differentiate the production cost of goods sold from cost of production. (5 marks)

06. Describe any five (5) objectives of cost accounting. (5 marks)

07. Classify the following costs under:

- i.** Production costs
- ii.** Administration costs
- iii.** Selling and distribution costs.

Costs:

Salesmen's commission, Raw material cost, Postage and telephone, Labour cost, Depreciation of delivery vans, Salaries of office staff, Factory rent, Office rent, Depreciation of office machine and Advertisement.

(5 marks)

08. The following are the information of XYZ company, calculate the breakeven sales volume of XYZ:

Variable cost = \$80,000; fixed expenses = \$20,000; Sales = \$100,000

(5 marks)

09. a) Under equation method approach, calculate the number of units would have to be sold to Break Even Point:

Sales price per unit = \$100; variable cost per unit = \$75

Total fixed expenses = \$25,000

b) From the following information, calculate the number of units would have to be:

sold to earn a profit of \$20,000; Sales price per unit = \$150

Variable cost per unit = \$100; Total fixed expenses = \$20,000

(5 marks)

10. State at least five (5) advantages of budgeting.

(5 marks)

11. Calculate the cost of producing 20,000 books given the costs below;

Cost of materials amount to Rwf 1,050 per book, direct labour costs Rwf 1,750 per book, variable factory overheads amount to Rwf 700 per book, and fixed factory overheads amount to 10,000,000 for the period.

(5 marks)

- 12.** N.Co. Ltd produces 100,000 identical units of a product during period 1. The costs for the period are as follow:

Manufacturing costs:

Direct labor\$400,000

Direct materials200,000

Manufacturing overheads200,000

Non-manufacturing costs.....300,000

During period 1, the company sold 50,000 units for \$750,000, and the remaining 50,000 units were unsold at the end of the period. There was no opening stock at the start of the period.

You are required to calculate the profit and loss account for period 1. **(5 marks)**

Section II: Attempt any Four (4) questions out of Six (6) (40 marks)

- 13. a)** Define the different components of total cost. **(5 marks)**

b) List any five (5) advantages of Cost Accounting for the manufacturer.

(5 marks)

- 14.** Discuss the classification of cost by function. **(10 marks)**

- 15. a)** Discuss briefly the costing methods. **(5 marks)**

b) Distinguish explicit costs from implicit costs. **(5 marks)**

- 16. a)** From the following information, calculate Economic Order quantity (EOQ)

- Annual Consumption 18000 units:
- Ordering Cost 12 per order
- Cost per unit \$1.50
- Inventory carrying cost 20% of unit value.

- b)** Write short notes on Cost Centre, Profit Centre, Responsibility Centre and Cost Unit. **(10 marks)**

17. Mrs. Kellen completed a job in 45 hours for which 60 hours were allowed. Her wage rate per hour is \$ 16. Calculate Kellen's total wage according to:

- a)** Halsey scheme **(3.5 marks)**
- b)** Halsey-Weir scheme **(3.5 marks)**
- c)** Rowan scheme **(3 marks)**

18. The following transactions are recorded in the Stores Ledger Cards of ACATI Co. Ltd of month ended 31 may 2020:

May 2, received 500 units at \$20 each

May 8, received 300 units at \$22 each

May 10, issued 400 units

May 15, issued 200 units

May 20, received 600 units a \$25 each

May 25, issued 300 units

May 27, received 200 units at \$26 each

May 30, issued 100 units

You are required:

- a)** To calculate the value of stock using FIFO (first in first out) method.
- b)** To calculate the value of stock using LIFO (last in first out) method
- c)** To calculate the value of stock using Weighted average (or Average Cost Method). **(10 marks)**

