



T149

Wednesday, 21/7/2021

08:30 - 11:30 AM

Names

Index number

TVET NATIONAL EXAMINATIONS, RTQF LEVEL 5, 2020-2021

QUESTIONS and ANSWERS BOOKLET

OPTION / TRADE : ACCOUNTING

OPTION/ TRADE: ACCOUNTING
SUBJECT: MONITORING INVENTORY SYSTEM AND COSTING

ACADEMIC YEAR: 2020-2021

(i) 8x (ii)

[illegible][illegible]



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: ACCOUNTING

SUBJECT: Monitoring inventory system and costing

DURATION: 3 hours

INSTRUCTIONS TO CANDIDATES: PART II

The paper is composed of two (2) 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 or 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)

1. Answer by True or False

(5 marks)

- a) The break- even point is the level at which costs are minimized whereas revenues are maximized.
- b) Under First In First Out method of valuing material issues, it assumes that the goods that are issued are those which have been latest in on hand and that those remaining in stock represent the longest purchases or production.
- c) Last in First out method of valuing stock does not reflect the current economic value of goods charged to production because it is not realistic that the stock left in the store is valued at those prices which were paid first and these prices are sometimes far below the current market prices.
- d) Under base stock method of stock valuation, a fixed quantity kept as base stock is not kept for emergencies but for hobby.
- e) The source of cost information includes: invoice, contract and minutes.

2. An employee of new system Motor is paid 1.5\$ hourly rate. Time allowed to perform the job is 16 hours. Time taken to accomplish job is 12 hours.

Required: compute gross wage of this employee under Halsay premium plan.

(5 marks)

3. A company had outstanding expense of 84,000 RWF at the end of the year. The production costs for the period are 1,800,000 frw.

Given that profit is 40% of the production cost and that sales amount to 3,200,000 frw;

(5 marks)

- i. Calculate the production cost
- ii. Calculate the amount for outstanding expenses at the beginning of the year.

4. List down any five (5) factors affecting the stock price.

(5 marks)

5. Show the information included in the plan of debt recovery?

(5 marks)

6. Enumerate the types of documentation filing

(5 marks)

7. What to consider in checking the accuracy of information into accounts receivable? (5 marks)
8. Who are the key users of debt recovery report? (5 marks)
9. Explain types of income (5 marks)
10. AKARABO worked 180 hours during the month of June 2021 and he was paid at the rate of 10 per hour. During the month she completed three jobs. The following additional information was also given:

Job	Number of hours.
A	80
B	60
C	40

Calculate the labor cost chargeable to these three jobs on the assumption that these jobs were completed only by AKARABO

(5 marks)

11. Below is a statement of cost in manufacturing firm (production statement) evaluated in Rwandan francs.

• Beginning inventory of materials	840,000
• Purchases of materials	120,000
• Ending inventory of direct materials	40,000
• Direct labour	60,000
• Direct expense	40,000
• Beginning work in inventory	20,000
• Ending work -in progress inventory	10,000

Required: determine:

- a) The prime cost
- b) The net factory cost

(5 marks)

12. Prepare the cost statement from the following information:

Raw material	300,000
Direct labour	80,000
Factory rent	15,000
Power	5,000
Supervision's salaire	20,000
Administration expenses	40,000
Selling and distribution expenses	15,000

(5 marks)

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

13. The sales book of a business shows the following information:

- 20 sacks of sugar have been sold for RWF 700 000
- 35 boxes of soap have been sold for RWF 70 000

The purchases book reveals that:

- The first lot of 25 sacks of sugar has been purchased at RWF 26 000 each.
- The second lot of 20 sacks of sugar has been purchased at RWF 2 8000 each.

Similarly, the first lot of 20 boxes of soap has been purchased at RWF 1600 each and the second of 20 boxes of soap have been purchased at RWF 1400 each.

But, 5 boxes of soap have been returned to the supplier because they were defective. Determine: **(10 marks)**

- a. The remaining quantity of sugar in the stock and its value using LIFO method
- b. The remaining quantity of soap in the stock and its value using FIFO method
- c. The total profit made on the sale transactions of both sugar and soap.

14. Discuss about the causes of stock take discrepancies **(10 marks)**

15. January: 1. Balance in stock 500 units at 150Rwf;

2. Bought 300units at 165Rwf each;

8. Sold 173 units at 195Rwf

12. Bought 200units at 170Rwf

19. Sold 294units at 200Rwf

24. Sold 400 units at 210Rwf

i. Prepare stores ledger card for above using the LIFO method.

ii. Determine the value of: Closing stock, cost of goods sold and gross profit. **(10 marks)**

16. A company produces three products for which the following data have been provided:

	<u>PRODUCTS</u>			<u>Total</u>
	<u>X</u>	<u>Y</u>	<u>Z</u>	
	(Rwf)	(Rwf)	(Rwf)	(Rwf)
Sales	250,000	180,000	150,000	580,000
Total costs	<u>200,000</u>	<u>200,000</u>	<u>120,000</u>	<u>520,000</u>
Profit (Loss)	<u>50,000</u>	<u>(20,000)</u>	<u>30,000</u>	<u>60,000</u>

Total costs comprise 75% variable and 25% fixed.

The directors of the company consider that product "Y" shows a loss so it should be discontinued. You are required to advise and support your opinion whether to drop the product or not. **(10 marks)**

17. URWIBUTSO, Manufacturing company provides the following information for the month of October 2010:

Stock on 1st October 2010.

Raw material	40,000
Work-in progress	12,000
Finished goods	20,000

Stocks on 31 October 2010

Raw material	35,000
Working progress	17,000
Finished goods	23,000
Purchased raw material for October	250,000
Factory wages	80,000
Salaries of supervision	30,000
Factory rent	10,000
Power	5,000
Sundry factory expense	
Office salaries	13,000
Sundry office	7,000
Salesmen's salaried	18,000
Sundry selling expenses	6000
Sales	5,000,000

Required:

- i. Prepare a production statement
- ii. Prepare a profit statement.

(10 marks)

18. State and explain the accounting equation.

(10 marks)

