

Answer Booklet

Your name: SZABOLCS ISASZEGI-TÓTH ✓

Student ID: 2218625 ✓

1	D	X
2	B	2
3	A	2
4	A	~~2~~ 2
5	B	2
6	C	2
7	A	2
8	B	2
9	B	2
10	D	2
11	A	X
12	D	2
13	B	2
14	D	2
15	A	2
16	C	2
17	A	2
18	B	2
19	D	2
20	B	X
21	B	2
22	A	2
23	B	2
24	A	2
25	A	2
Total		

44/50
Koppel
30/07/23

- 20) The financial statement that reports assets, liabilities and equity is the:
- Statement of Financial Position
 - Income statement
 - Cash flow statement
 - Statement of retained earnings.
21. Normanton Furniture Company manufacture furniture for office use. Their cost structure per unit of kitchen table includes the following:
Material cost £400, Labour cost £600 and Variable manufacturing overhead per unit £200, fixed manufacturing overhead per unit £100. what is the Unit cost of a table using variable costing method.
- Handwritten notes for Q21:*
 Materials £400
 Labour £600
 Variable cost = 100 + 200 = 300
 Unit cost = 300
- £1,300
 - £1,200
 - £ 800
 - £1,500
- 22 Using the same information as given in Question no. 21, what should be the selling price of a table if the company wants to make a profit of 20% on cost?
- Handwritten notes for Q22:*
 1200 * 1.2 = 1440
- £ 1,440
 - £1,200
 - £1,500
 - £1,80

From the table below, answer Question 23 and 24

Material	Standard	Actual
Price (per Kg)	£5	£4.5
Quantity	700 kg	750 kg
Labour		
Wage rate (per hour)	£10.5	£12
Labour hours	100	105

23. What is Material price variance?
- Handwritten calculations for Q23:*
 3500 3375
- £350 Fav Variance
 - £375 Fav Variance
 - £ 375 UnFav Variance
 - £350 UnFav Variance
24. What is labour efficiency variance?
- £ 52.5 UnFav Variance
 - £ 52.5 Fav Variance
 - £ 60 Fav Variance
 - £ 60 UnFav Variance
- 25) Beckham's statement of financial position shows the following totals:
- | | |
|-------------------------|--------|
| | £ |
| Non-current assets | 45,000 |
| Current assets | 15,500 |
| Current liabilities | 22,000 |
| Non-current liabilities | 5,000 |
- Beckham's capital in the business is:
- £33,500
 - £60,000
 - £27,000
 - £20,500

Diwedd / End



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

LOCATION: BIRMINGHAM

LLEOLIAD: BIRMINGHAM

LEVEL 4

LEFEL 4

EXAMINATION PERIOD
JULY 2023 WEEKEND

CYFNOD ARHOLIADAU
MEHEFIN 2023 PENWYTHNOS

MODULE: LCBB4001
ACCOUNTING FUNDAMENTALS

- Time: 2 hours
- All questions are compulsory and each carry 2 marks.
- Questions should be answered in the answer booklet provided.
- Must write the correct answer, A, B, C or D in the answer booklet.
- Equipment or materials required: Students can make use of a calculator.
- You need to return this question paper along with the answer booklet.

Questions:

- 1) Absorption costing can also be referred to -
 - A Prime cost
 - B A variable cost
 - ☒ C Full costing
 - D An indirect cost
- 2) Breakeven point (pound) is -
 - A Fixed cost ÷ Contribution per unit
 - ☒ B Fixed cost ÷ Contribution ratio
 - C Variable cost ÷ Contribution per unit
 - D Total cost ÷ Contribution ratio

$$\frac{75,000}{5/9}$$

Use the following information to answer questions 3 to 8.

Manila Tops Co. manufactures and sells tops for schoolgirls. The fixed costs of operating the company are £75,000 per month, and the variable costs for each top £4 per unit. The tops are sold for £9 per unit. The fixed costs provide a production capacity of up to 70,000 tops per month.

$$\begin{aligned} \text{fix cost} &= 75,000 \\ \text{variable cost} &= 4 \\ \text{sales price} &= 9 \end{aligned}$$

$$\text{contribution ratio} = 5/9$$

- 3) What is the contribution per tops?

- ☒ A £5
- B £3
- C £13
- D £2

- 4) What is Break-even point in £?

- ☒ A £60,000
- B £50,000
- C £80,000
- D £15,000

$$\text{Unit}$$

$$\begin{aligned} \text{BEP} &= \frac{\text{fix cost}}{\text{contribution per unit}} \\ \text{BEP} &= \frac{75,000}{5} = 15,000 \text{ units} \\ 15,000 \text{ units} \times 4 &= 60,000 \end{aligned}$$

$$15,000 \text{ units} \times 5 = 75,000$$

- 5) What is the Net income or loss at 20,000 tops sold?

- A £100,000 profit
- ☒ B £25,000 profit
- C £25,000 loss
- D £80,000 profit

- 6) What is the Net income or loss at 7,500 tops sold?

- A £67,500 profit
- B £105,000 loss
- ☒ C £37,500 loss
- D £105,000 profit

- 7) How many tops Manila Tops Co. needs to sell to earn a profit of £50,000 in next Christmas period?

- ☒ A 25,000 tops
- B 30,000 tops
- C 15,000 tops
- D 35,000 tops

$$\begin{aligned} \text{BEP} &= \frac{75,000 + 50,000}{5} = 25,000 \\ 10,000 \text{ units} \times 5 &= 50,000 \end{aligned}$$

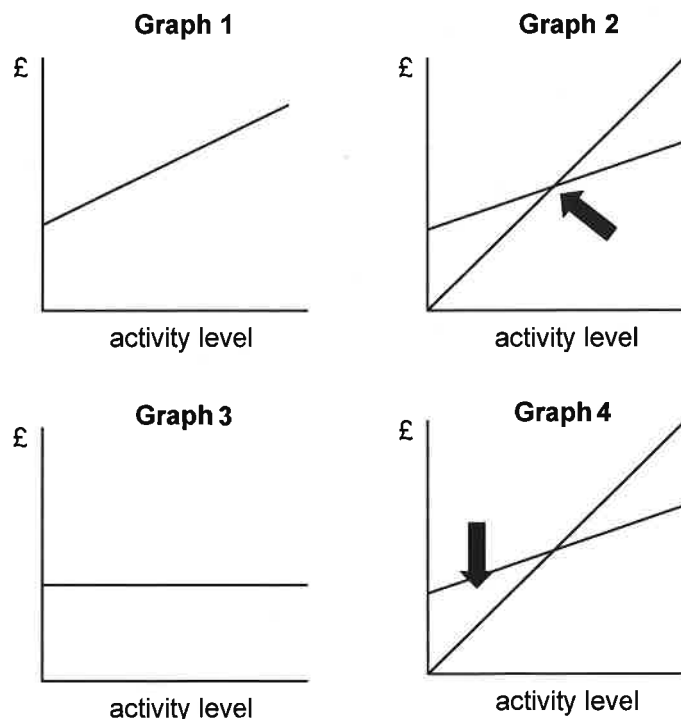
- 8) What is the percentage of margin of safety if Manila Tops Co. sells 20,000 tops in May 2023.

- A 15%
- ☒ B 25%
- C 20%
- D 10%

$$\begin{aligned} \text{MOS} &= \frac{\text{Actual Sales} - \text{BEP}}{\text{Actual Sales}} \\ &= \frac{20,000 - 15,000}{20,000} = 0.25 \end{aligned}$$

- 9) A cost that remains the same over a relevant level of activity is called:
- A semi-variable cost
 - ☒ B fixed cost
 - C mixed cost.
 - D direct cost
- 10) Which of the following statements is correct?
- A Depreciation charges must be calculated using the reducing balance method for machinery non-current assets
 - B Depreciation charges must be calculated using the straight-line method for motor vehicles non-current assets
 - C Depreciation charges must be calculated using the straight-line method for premises and fixtures and fittings non-current assets
 - ☒ D Depreciation charge must be calculated based on the method prescribed for each non-current asset.
- 11) Which of the following is not one of the principles of accounting?
- A Going concern principle
 - B Consistency principle
 - C Profitability Principle
 - ☒ D Accruals Principle
- 12) Who are the internal users of company financial statements?
- A Investors
 - B Bank
 - C Creditors
 - ☒ D Managers

Use the following information to answer questions 13 to 16.



- 13) Which of the graphs in the attached image illustrates total cost?
- A Graph 2
 - ☒ B Graph 1
 - C Graph 4
 - D Graph 3

- 14) Which of the graphs in the attached image illustrates total fixed cost?
 A Graph 2
 B Graph 1
 C Graph 4
 D Graph 3
- 15) Which of the graphs in the attached image indicates Break-even point?
 A Graph 2
 B Graph 1
 C Graph 4
 D Graph 3
- 16) Which of the graphs in the attached image indicates loss area?
 A Graph 2
 B Graph 1
 C Graph 4
 D Graph 3

The following data is to be used for questions 17 to 19:

Beauty PLC has incurred the following overheads:

Heating	£20,000
Canteen	£15,000
Insurance of equipment	£7,500

The company uses the following cost driver to allocate overhead:

For heating	Floor space
For canteen	Number of employees
For insurance	Book value of equipment

Information relating to the 3 departments is as follows:

	Department 1	Department 2	Department 3
Floor space (square metres)	500	700	800
Book value of equipment	3,000	5,000	7,000
Number of employees	15	20	25

- 17) Heating overheads apportioned to Department 1 are:

- ☒ A £5,000
☐ B £2,000
☐ C £20,000
☐ D £4,000

FLOOR SPACE

DEP 1 500m²
 TOTAL 2000m²
 HEATING £20000
 $20000 / 2000 = 10 \Rightarrow 10 \times 500m^2$
 $10 \times 500m^2 = 5000$

- 18) Insurance of equipment apportioned to Department 2 are:

- ☐ A £3,500
☒ B £2,500
☐ C £6,500
☐ D £5,700

BOOK VALUE

DEP 2 = 5000
 ALL = 15000
 INSURANCE = 7500

- 19) Canteen overheads apportioned to Department 3 are:

- ☐ A £2,500
☐ B £4,500
☐ C £2,350
☒ D £6,250

Number of employees

DEP 3 = 25 people
 ALL = 60 PEOPLE
 $\times 15000$

$\frac{15000}{60} \times 25 \text{ people} = 6250$