

Answer Booklet

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

36/50
Kernel
20/07/23

- 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.
- £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?
- £ 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?
- £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

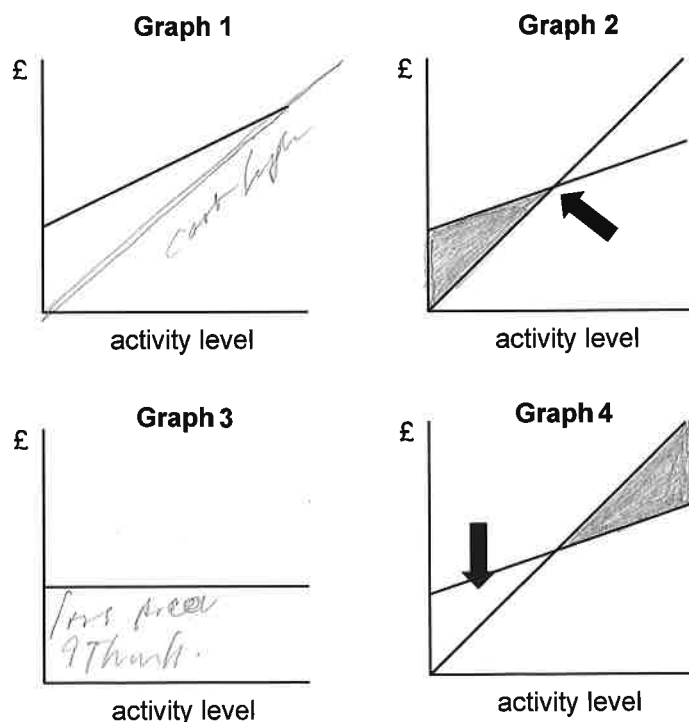
Use the following information to answer questions 3 to 8.

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.

- 3) What is the contribution per tops?
A £5
B £3
C £13 ✓
D £2
- 4) What is Break-even point in £? unit
A £60,000
B £50,000
C £80,000
D £15,000 ✓
- 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
- 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%

- 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

$$(20000 - 2000) \times 500$$

Information relating to the 3 departments is as follows:

	Department 1	Department 2	Department 3
Floor space (square metres)	500 ✓	700	800 - 2000
Book value of equipment	3,000	5,000 ✓	7,000 - 15,000
Number of employees	15	20	25 ✓ - 60

- 17) Heating overheads apportioned to Department 1 are:

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

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

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

$$(15000 - 5000) \times 15,000$$

$$(15000 \div 15000) \times 5000$$

- 19) Canteen overheads apportioned to Department 3 are:

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

$$(15000 \div 60) \times 25$$