

Answer Booklet

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Student ID: 2210486 ✓

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

36/50

Kennel
30/07/23

20) The financial statement that reports assets, liabilities and equity is the:

- A. Statement of Financial Position
- B. Income statement
- C. Cash flow statement
- D. 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.

- ☒ A. £1,300
- B. £1,200
- C. £ 800
- D. £1,500

$$400 + 600$$

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?

- A. £ 1,440
- B. £1,200
- ☒ C. £1,500
- D. £1,80

$$20/100 \times 1300 + 1300 + 200$$

$$\begin{array}{r} 1300 \\ 200 \\ \hline 1500 \end{array}$$

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?

- a) £350 Fav Variance
- ☒ b) £375 Fav Variance
- c) £ 375 UnFav Variance
- d) £350 UnFav Variance

24. What is labour efficiency variance?

- ☒ a) £ 52.5 UnFav Variance
- b) £ 52.5 Fav Variance
- c) £ 60 Fav Variance
- d) £ 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:

- A £33,500
- B £60,000
- ☒ C £27,000
- D £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? $9 - 4 = 5$
- ☒ A £5
 - B £3
 - C £13
 - D £2
- 4) What is Break-even point in £? $(75,000 / 5) = 15,000$
 $75,000 / (9 - 4) =$
- 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? $20,000 \times 5 = 100,000$
- 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. $15,000 / 100 \times$
- 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.

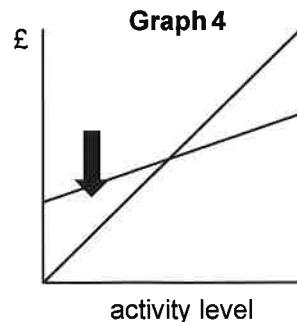
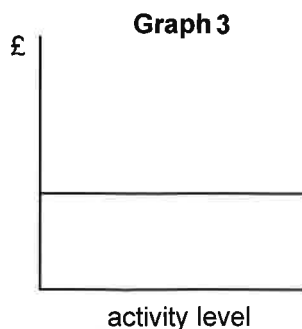
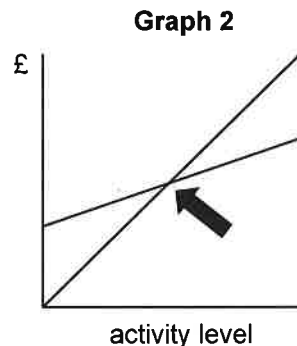
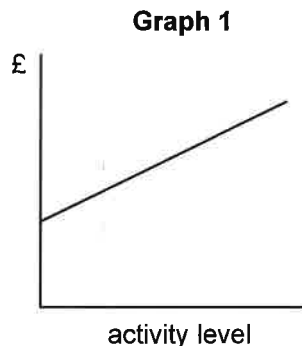
11) Which of the following is not one of the principles of accounting?

- ☒ 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: 20,000/

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 = 2,000
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
- 19) Canteen overheads apportioned to Department 3 are:
 A £2,500
 B £4,500
 C £2,350
☒ D £6,250