

Answer Booklet

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

24
50
JKM
30/01/22

- 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

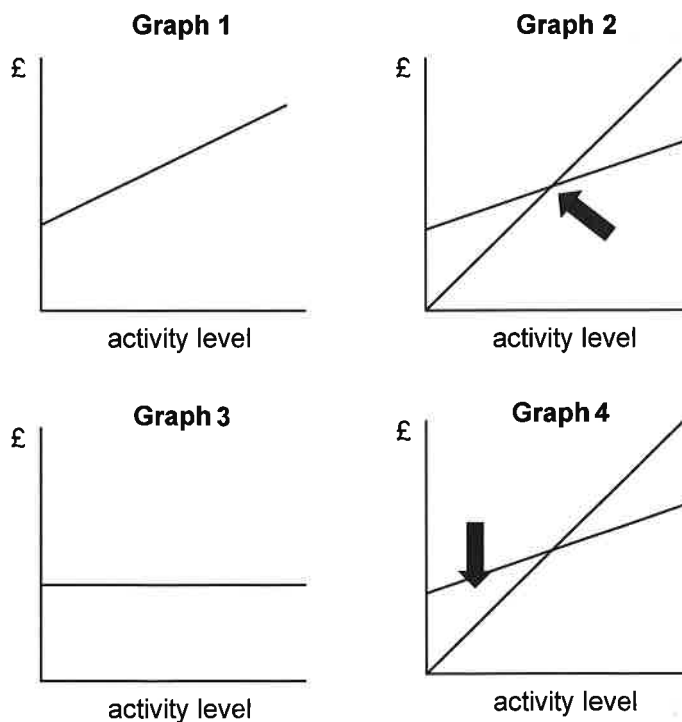
Use the following information to answer questions 3 to 8.

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

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
- 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