

ACC&CSM – Cost and Computerized  
Accounting

**T098**

Friday, 11/11/2016

08:30 – 11:30

WORKFORCE DEVELOPMENT AUTHORITY



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**ADVANCED LEVEL NATIONAL EXAMINATIONS, 2016,  
TECHNICAL AND PROFESSIONAL STUDIES**

**EXAM TITLE: Cost and Computerized Accounting**

**OPTIONS: Accountancy (ACC)**

**Computer Science and Management (CSM)**

**DURATION: 3hours**

**INSTRUCTIONS:**

The paper is composed of **three (3) main Sections** as follows:

**Section I: Twelve (12) compulsory questions. 55 marks**

**Section II: Attempt any three (3) out of five questions. 30 marks**

**Section III: Attempt any one (1) out of three questions. 15 marks**

**Note:**

***Every candidate is required to carefully comply with the above instructions. Penalty measures will be applied on their strict consideration.***

**Section I. Twelve (12) Compulsory questions**

**55marks**

- 01.** After defining “cost”, give three majors types of costs in accounting. **5marks**
- 02.** Cost accounting helps managers in their daily business. What are the main objectives of cost accounting? **4marks**
- 03.** Differentiate the direct cost and the indirect cost, and give an example to each. **4marks**
- 04.** In cost accounting, how do you differentiate a cost allocated to a cost apportioned? **4marks**
- 05.** The transformation process is very key for a manufacturing organization. What is meant by good in progress in accounting? **3marks**
- 06.** In the World Economic Forum 2016 held in Kigali, the following cost has been contracted in the meeting for the refreshment of participants.

<u>Unit</u>	<u>Cost (FRW)</u>
1	1,000
10	10,000
100	100,000

What type of a cost is given? (Mixed cost); (Fixed cost); (Variable cost) or (Product cost).

**4marks**

- 07.** Choose the correct answer to fill in the following statements:

(NB: write the answers with complete sentences)

- a) The budget that changes for increases or decreases in volume or activity is known as: ..... (Capital budget - Flexible budget - Static budget - Direct budget) **2marks**
  
- b) The amount by which the total cost rises when the firm produces one additional unit is called: ..... (Marginal cost - average cost - fixed cost - variable cost) **2marks**
  
- c) An expenses or cost which is not directly attributable to a cost unit is called: ..... (Direct cost - fixed cost - overhead cost - variable cost) **2marks**

d) A method of inventory valuation based on the assumption that the goods purchased most recently are sold or used first is called: .....  
(FIFO - LIFO - Average cost method) **2marks**

e) POP toolbar in Sage Line 50 accounting software stands for: .....

- ❖ Process Online Product
- ❖ Product Ordered Profit
- ❖ Performance Online Product
- ❖ Purchase Order Processing

**2marks**

**08.** The Kigali cleaning company Ltd had the following information available regarding last year's operations:

Sales (100,000 units)	200,000 FRW
Variable costs	<u>100,000</u> FRW
Contribution margin	100,000 FRW
Fixed costs	<u>50,000</u> FRW
Net Income	50,000 FRW

If sales were to increase by 200 units, calculate the Net Income.

**4marks**

**09.** What do you understand by "accounting software"? Give at least three examples of accounting software.

**5marks**

**10.** Information Technology is playing a key role in developing an organization accounting system; give four importances of using accounting software to perform accountant tasks.

**4marks**

**11.** A collection of instructions that enable the user to interact with a computer is known as software. What are the four types of software?

**4marks**

**12.** ROKO construction Ltd has the following purchases budget for the last half of 2015:

<u>Month</u>	<u>Purchases budget in FRW</u>
July	100,000
October	90,000
August	80,000
November	100,000
September	110,000
December	94,000

Historically, the company pays one half at the time of purchase and the remainder in the month following purchase. What are the expected cash disbursements in August?

**4marks**



**Section II. Choose and answer any three (3) questions.****30marks**

13. Last year, Inyange Company Ltd had the following costs for juice production:

<u>Cost</u>	<u>FRW</u>
Direct materials used	31,000
Direct labor	18,000
Factory rent	12,000
Equipment depreciation – factory	2,000
Equipment depreciation – office	750
Marketing expense	2,500
Administrative expenses	40,000

35,000 units produced were in 2015. What is the product cost per unit? **10marks**

14. Discuss the limitations of cost accounting. **10marks**

15. As a user of accounting software “Sage”, identify different Sage (Sage Line 50) toolbars used to perform accounting activities. **10marks**

16. Kigali Investment Group Ltd was newly formed early in 2014. The following information relates to its full year activities:

<u>Cost</u>	<u>FRW</u>
Raw materials purchased (net)	10,500,000
Direct labor costs	7,000,000
Factory overhead	5,250,000
Selling & administrative cost	2,450,000

Additional information:

75% of the available raw material was transferred into production;

60% of the work in process was completed;

80% of the finished goods were sold;

15% of factory overhead related to depreciation;

25% of selling & administrative related to depreciation.

**Required:**

- Calculate the ending inventory for raw materials
- Calculate the work in process
- Calculate the finished goods
- Calculate the cost of goods sold
- Calculate the total depreciation for the period 2014.

**10marks**

17. The limitation of financial accounting has made the management to realize the importance of cost accounting.

Discuss the importance of cost accounting to the management of an organization.

**10marks**

**Section III. Choose and answer any one (1) question.**

**15marks**

18. A Rwandan private company, Umutara Enterprises Ltd provides the following data explaining the activities done in 2015:

<u>Activity</u>	<u>Cost (in FRW)</u>
Direct materials	3,320,000
Direct labor	5,380,312
Factory overhead	1,321,326
Beginning work in process	3,854,235
Ending work in process	4,721,338

You are required to calculate the cost of goods manufactured in this period.

**15marks**

19. BRALIRWA S.A uses a periodic inventory system. The beginning balance of inventory and the purchases made by BRALIRWA S.A during the month of July are given in the table below:

<u>Date</u>	<u>Description</u>	<u>Units</u>	<u>Unit cost (in \$)</u>	<u>Total cost (in \$)</u>
July 01	Beginning inventory	500	20	10,000
July 18	Inventory purchased	800	24	19,200
July 25	Inventory purchased	700	26	18,200
	<b>Total</b>	<b>2,000</b>		<b>47,400</b>

BRALIRWA S.A sold 1,400 units during the month of July.

**Required:**

Compute inventory on 31st July and cost of goods sold for the month of July using following inventory costing methods:

- (1) First in, first out (FIFO) method
- (2) Last in, first out (LIFO) method
- (3) Average cost method.

**15marks**

20. Irrespective of how effective a company may be, an economic development organization needs an adequate budget in order to ensure its future growth.

- a) What is budget?
- b) How do you define a budgetary control and a budget period?
- c) Discuss at least five different components of a budgetary control system.

**15marks**