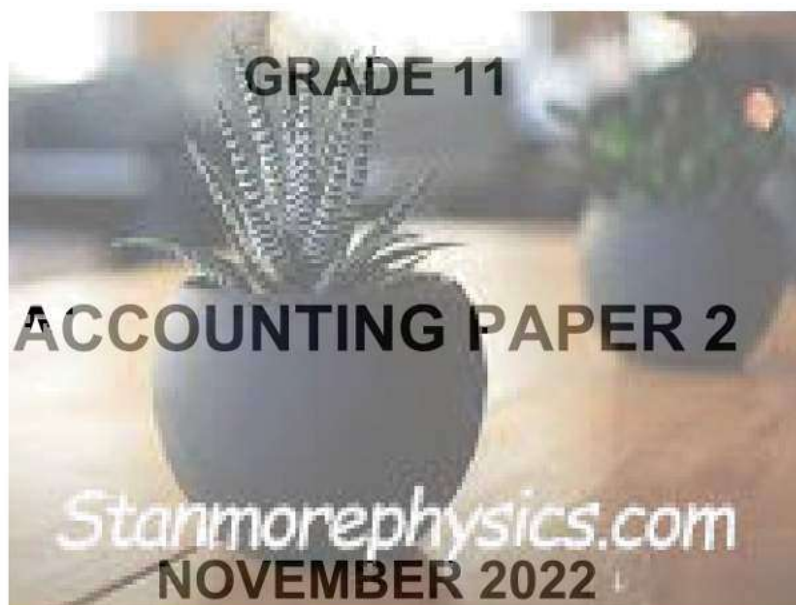




# education

Department of  
Education  
FREE STATE PROVINCE



**MARKS: 150**

**TIME: 2 HOURS**

This question paper consists of 10 pages and a 7-page answer book.

**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. Show ALL workings to earn part-marks.
4. You may use a non-programmable calculator.
5. You may use a dark pencil or blue/black ink to answer the questions.
6. Where applicable, show all calculations to ONE decimal point.
7. If you choose to do so, you may use the Financial Indicator Formula Sheet attached at the end of this question paper. The use of this formula sheet is NOT compulsory.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	MINUTES
1	Reconciliations	45	40
2	Value Added Tax and Inventory	20	10
3	Budgets	40	30
4	Manufacturing	45	40
<b>TOTAL</b>		<b>150</b>	<b>120</b>

**QUESTION 1: RECONCILIATIONS**

**(45 marks; 40 minutes)**

1.1 The following information relates to Fourie Stores for October 2022.

**REQUIRED:**

- 1.1.1 Complete the Cash Journals for October 2022. (**Note:** The information from the Bank Statement was not taken into account.) (23)
- 1.1.2 Prepare the Bank Reconciliation Statement on 31 October 2022. (9)

**INFORMATION:**

A. Extract from the Bank Reconciliation statement on 30 September 2022.

Outstanding deposits: 27 September 2022	R 31 450
30 September 2022	11 000
Outstanding EFT: No. 175	15 700

- The outstanding deposit of R31 450 appeared on the October 2022 bank statement.
  - The outstanding deposit of R11 000 in respect of a client, J. Jimmy, for commission did not appear on the September 2022 Bank Statement. It was decided to write-off this amount, as the money would not be recovered.
  - EFT 175 appeared on the Bank Statement for October 2022.
- B. Provisional totals from the Cash Journals on 31 October 2022:
- Cash Receipt Journal, R68 500
  - Cash Payment Journals, R79 200
- C. The following information on the October 2022 Bank Statement from KK Bank did not appear in the October 2022 Cash Journals:
- Debit order to Quick Insurers for the business insurance, R5 350.
  - Bank charges, R358
  - Interest on bank overdraft, R132
  - A deposit from K. Linde for R3 890 for settlement of his account.
  - EFT 231 (payment) for R5 437, reflected on the bank statement, was not a transaction of the business. The bank will rectify the error.
  - A deposit from D. Dlamini for R8 800 for his monthly rent.
  - Debit order to LL Bank for R4 125 as repayment of the loan.
  - Bank error of R11 400 was reflected as a cash deposit on the bank statement, but it was in connection with another business. The bank will rectify the error.
- D. The following information in the October 2022 Cash Journals did not appear on the Bank Statement for October 2022:
- Outstanding deposit, R17 600
  - EFT 234 for R3 620 to BB Suppliers for stationery purchased.
- E. Debit balance according to the bank Statement on 31 October 2022 amounted to R23 700.



**1.2 CREDITORS' RECONCILIATION**

Andrew Stores buys goods on credit from Motaung Traders.

**REQUIRED:**

1.3.1 Use the table provided to indicate changes to the:

- Creditors' Ledger Account in the books of Andrew Stores
- Creditors' Reconciliation Statement on 30 July 2022

(13)

**INFORMATION:**

**A. Creditors' Ledger Account in the books of Andrew Stores**

MOTAUNG TRADERS (CL6)						
				DEBIT	CREDIT	BALANCE
2022 July	1	Balance	b/d			R103 000
	12	Invoice 345			88 300	191 300
		EFT		45 500		145 800
	15	Debit Note 622		11 300		134 500
		Invoice 289			49 100	183 600
	16	Invoice 336			26 000	209 600
	23	Journal voucher 685		8 400		201 200
	24	Debit Note 737			8 450	209 650
	28	Invoice 401			7 960	217 610
	31	EFT and discount		99 600		118 010

**B. Statement of account from Motaung Traders**

Andrew Stores 212 Main Road		25 July 2022			
		DEBIT	CREDIT	BALANCE	
2022 July	1	Balance			R103 000
	12	Invoice 345	88 300		191 300
		Receipt 413		45 500	145 800
	16	Credit Note 655		14 100	131 700
		Invoice 336	26 000		157 700
	22	Invoice 495	12 500		170 200
	24	Credit Note 982		8 450	161 750

**C. Errors, omissions, and other information:**

- Credit Note 655 was recorded incorrectly on the statement of account. This relates to the correct entry for Debit Note 622 in the Creditors' Ledger.
- Invoice 289 was incorrectly reflected in the account of Motaung Traders in the Creditors' Ledger. These goods were purchased from Thami Suppliers.
- Invoice 495 on the statement of account was for goods ordered by Andrew Stores, but it was not recorded.
- Motaung Traders also purchased goods on credit from Andrew Stores. Andrew Stores has transferred a credit balance from the Debtors' Ledger (Journal voucher 685). Motaung Traders will include this on the next statement.

- (v) The transaction on 24 July 2022 is for merchandise returned to Motaung Traders.
- (vi) The statement of account reflects transactions up to 24 July 2022.

45

**QUESTION 2: VAT AND INVENTORY**

**(20 marks; 10 minutes)**

2.1 Indicate whether the following statements are TRUE or FALSE. Write only True or False in the answer book.

- 2.1.1 All goods and services are subject to VAT at the standard rate.
- 2.1.2 VAT paid by a business when goods are purchased is referred to as Input VAT.
- 2.1.3 It is compulsory for all businesses to register for VAT. (3)

**2.2 VALUE ADDED TAX**

**REQUIRED:**

2.2.1 Calculate the missing amounts in the table below. Note that the standard VAT rate is 15%.

EXCLUDING VAT	VAT AMOUNT	INCLUDING VAT
R36 000	(a)	R41 400
(b)	R6 900	
R111 800		(c)

(6)

**2.3 INVENTORY**

**REQUIRED:**

2.3.1 Calculate the cost of sales on 31 October 2022. (11)

**INFORMATION**

A Extract from the accounting record on 31 October 2022:

Opening stock	R111 110
Purchases	412 790
Carriage on purchases	12 345
Carriages on sales	14 860
Purchases returns to suppliers	21 212
Debtors' allowances	77 600
Sales	850 000

- B No entry was made for the purchase stock on 29 October 2022 for R8 800. Delivery fee on this stock amounts to R580.
- C The business return R600 goods back to the supplier. No entry was made.
- D Closing stock on 31 October 2022 amounted to R123 813.

20

**QUESTION 3: BUDGETS**

**(40 marks; 35 minutes)**

You are provided with information relating to Mkhize Traders.

**REQUIRED:**

- 3.1 Complete the Debtors' Collection Schedule for October and November 2022. (8)
- 3.2 Draw up the Cash Budget for October and November 2022. (32)

**INFORMATION**

- A **Sales**  
40% of the sales is cash and the rest on credit

	<b>Total sales</b>
	<b>R</b>
August	240 000
September	210 000
October	270 000
November	300 000

- B **Debtors are paying as follows:**
  - 50% in the same month of sale less 10% discount.
  - 40% in the month following the sale.
  - 8% in the second month following the sale.
  - 2% will be written off as bad debts in the third month.
- C **Purchases**
  - The business maintains fixed stock levels and a markup percentage of 50% on cost.
  - 70% of the purchases were on credit.
  - Providers are paid in full two months following the purchase.
- D **Loan**  
On 1 October 2022 the business got a loan of R360 000 at 12% interest per year. The interest is payable each month. Each month R20 000 is paid back on the loan, starting as from 31 October.
- E **Rent**  
The business rent out a part of their building. The tenant is paying his rent on the first day of each month. The rent increases with 15% every year on 1 November.
- F **Advertising**  
Advertising cost is based on the sales of the month, and it is paid each month. As from the 1 November 2022 advertising cost will increase from 3% to 5%.



**G Wages**

The business employed 6 workers and each earning R1 800 per week. There were 4 working weeks in October and 5 working weeks in November. On 1 October a seventh worker has been appointed. He earns 80% of the amount the other workers get paid. During November all workers received a raise of R150 per week.

**H Operating expenses**

Other operating expenses are R3 600 for October. Operating expenses will decrease every month with R100.

**I Depreciation**

The depreciation on vehicles and equipment amounts to R15 600 per month.

**J** On 30 September 2022 the bank got a credit balance of R382 450.

**40**

**QUESTION 4: MANUFACTURING**

**(45 marks; 40 minutes)**

4.1 Indicate in which cost account each of the items will be classified by choosing the answer from the options below.

Direct labour cost; Factory overheads cost; Direct material cost;  
Selling and distribution cost and Administration cost;

4.1.1 Material issue in the production process

4.1.2 Telephone paid for the office building.

4.1.3 Bad debts at the end of the month (3)

**4.2 KETSI MANUFACTURERS**

The information given below was extracted from the accounting records of Ketsi Manufacturers. They produce wooden chairs. Their financial year ends on the last day of February each year.

**REQUIRED:**

4.2.1 Calculate the direct labour cost (5)

4.2.2 Prepare the following ledger accounts for the year ended 28 February 2022:

- Raw material stock account (6)
- Work in progress account (7)
- Factory overhead cost account (12)

**INFORMATION:**

A The following balances appeared in the books of the business:



	<b>28 February 2022</b>	<b>1 March 2021</b>
Raw material stock	R ?	R185 000
Work-in-progress stock	332 675	123 800
Finished goods stock	276 000	215 000

B The following information relates to the financial year.

(i) **Raw materials:**

- Cash purchases for R1 486 000
- Carriage paid on raw materials purchased for R42 750
- Raw material return to the suppliers amounts to R41 350
- Raw materials issued to the factory, R1 559 700.

(ii) **Salaries and wages:**

Gross salaries	R ?
Deductions	510 000
Net Salaries	940 000
<b>Employer contributions</b>	
<ul style="list-style-type: none"> <li>• R130 500 to the pension fund</li> <li>• R14 500 to the UIF and it is equal of 1% of the gross salary</li> </ul>	

The salaries and wages amount are distributed as follows:

- 60% to direct labour in the production process.
- 25% to indirect labour.
- The rest to the administrative staff and sales and distribution staff.

C **Other sundry costs and adjustments**

	<b>R</b>
Indirect material issued to the factory	22 100
Indirect labour	?
Insurance	156 000
Water and electricity paid	99 900
Rent expense paid	260 000
Factory: Sundry expenses paid	144 400
Depreciation on delivery vehicles	56 400
Depreciation on office equipment	16 500
Depreciation on factory machinery	101 200

**Additional information:**

- 65% of the insurance must be allocated to the factory.
- The water and electricity is shared between the factory, administration and selling departments in the ratio 5 : 3 : 1 respectively.



- Rent amount for March 2022 has been paid in February 2022. Rent remained unchanged during the financial year. Rent is allocated according to the floor area. The areas are: factory 1 500 m<sup>2</sup>; shop 400 m<sup>2</sup>; office 100 m<sup>2</sup>.
- Factory sundry expenses for February 2022 for R11 700 is still outstanding..

4.3 **NOSI MANUFACTURERS**

You are provided with information relating to Nosi Manufacturers consisting of two factories producing different products: Chairs and bags. The owner of the business, Nosi has discovered that her profit has declined from 2021 to 2022. She asked you for advice.

**REQUIRED:**

- 4.3.1 Calculate the break-even point of chairs for 2022. (4)
- 4.3.2 Identify the variable cost that caused the biggest problem in producing chairs and bags. Explain and quote figures to support your answer. In each case, give a possible practical solution for the business. (8)

**INFORMATION:**

The accountant has identified the following information:

	CHAIRS		BAGS	
	2022	2021	2022	2021
<b>General information:</b>				
Total fixed costs	R3 910 500	R3 500 000	R2 100 000	R2 100 000
Net profit	R1 100 000	R1 400 000	R800 000	R900 000
<b>Variable costs per unit:</b>	<b>R252</b>	<b>R219</b>	<b>R106</b>	<b>R84</b>
Direct material cost per unit	R66	R69	R63	R42
Direct labour cost per unit	R165	R130	R32	R30
Selling & distribution cost per unit	R21	R20	R11	R12
<b>Additional information</b>				
<b>Break-even point</b>	?			
Selling price by business	R450			
Number of units produced & sold	20 000 units			

GRADE 11 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET		
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Total earnings by partner}}{\text{Partner's average equity}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Average owners' equity}} \times \frac{100}{1}$	
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
(Trade and other receivables + Cash and cash equivalents) : Current liabilities		
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365}{1}$	
$\frac{\text{Average inventories}}{\text{Cost of sales}} \times \frac{365}{1}$ or $\frac{12}{1}$	$\frac{\text{Cost of sales}}{\text{Average inventories}}$	
Non-current liabilities: Owners' equity	Total assets: Total liabilities	



# education

Department of  
Education  
FREE STATE PROVINCE

**SURNAME:**

**NAME:**

**GRADE 11**  
**ACCOUNTING PAPER 2**  
**NOVEMBER 2022**

***SPECIAL ANSWER BOOK***

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
<b>TOTAL</b>	<b>150</b>		

This answer book consists of 7 pages.







**QUESTION 2**

2.1

Indicate whether the following statements are True or False. Write only True or False in the answer book.

2.1.1	
2.1.2	
2.1.3	

3

2.2.1

Calculate the missing amounts in the table below. Note that the standard VAT rate is 15%.

AMOUNT EXCLUDING VAT	VAT AMOUNT	AMOUNT INCLUDING VAT
36 000		41 400
	6 900	
111 800		

6

2.3.1

Calculate the cost of sales on 31 October 2022

	R
Opening stock	

11

<b>TOTAL MARKS</b>
20



**QUESTION 3**

3.1

**Debtor's collection schedule for the period October and November 2022.**

	<b>Credit sales</b>	<b>October</b>	<b>November</b>
<b>August</b>	<b>144 000</b>	<b>11 520</b>	
<b>September</b>	<b>126 000</b>	<b>50 400</b>	
<b>October</b>	<b>162 000</b>		
<b>November</b>			

8

3.2

**MKHIZE TRADETS  
CASH BUDGET FOR OCTOBER AND NOVEMBER 2022**

	<b>October</b>	<b>November</b>
<b>RECEIPTS</b>		
<b>Cash sales</b>	<b>108 000</b>	
<b>Receipts from debtors</b>		
<b>Loan</b>		
<b>Rent Income</b>		<b>8 510</b>
<b>PAYMENTS</b>		
<b>Cash purchases</b>	<b>54 000</b>	
<b>Payment to creditors</b>	<b>112 000</b>	
<b>Loan</b>		
<b>Interest on loan</b>		
<b>Advertising</b>		<b>15 000</b>

32

**TOTAL MARKS**

40



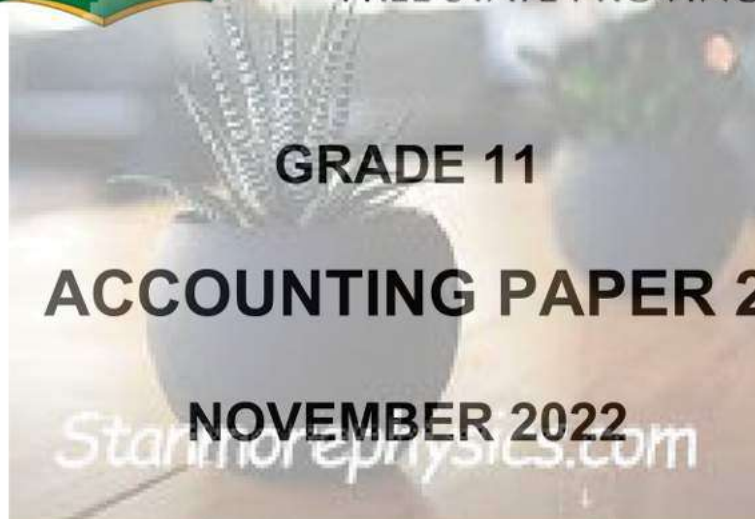






# education

Department of  
Education  
FREE STATE PROVINCE



## MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guidelines, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Unless otherwise stated, give full marks for correct answer. If answer is incorrect, mark workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: if figures are stipulated in memo for components of workings, these do not carry the method mark for final answer as well.
5. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. If candidates provide more than the required number of responses, inspect all responses to give benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question (max - 2 per Q).
8. This memorandum is not for public distribution; as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
9. Where penalties are applied, the marks for that section of the question cannot be a final negative.
10. Where method marks are awarded for operation, marker must inspect reasonableness of answer.
11. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
12. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
13. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a .
14. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

This marking guideline consists of 7 pages.

## QUESTION 1

## 1.1.1 CASH RECEIPT JOURNAL - OCTOBER 2022 CRJ 10

Doc	Day	Details	Bank	Amount	Details
	30	<b>Total</b>	<b>68 500</b>	<b>68 500</b>	
B/S		K. Linde	3 890✓	3 890✓	Debtors Control✓
		D. Dlamini	8 800✓	8 800✓	Rent income✓
			81 190☑	81 190	

7

## 1.1.1 CASH PAYMENT JOURNAL - OCTOBER 2022 CPJ 10

Doc	Day	Details	Bank	Amount	Details
	30	<b>Total</b>	<b>79 200</b>	<b>79 200</b>	
B/S		J. Jimmy	11 000✓	11 000✓	Commission ✓
B/S		Quick Insurers	5 350✓	5 350✓	Insurance✓
B/S		KK Bank	490✓✓	358✓	Bank charges✓
				132✓	Interest on overdraft✓
B/S		LL Bank	4 125✓	4 125✓	Loan✓
			100 165 ☑	100 165	

16

## 1.1.2 BANK RECONCILIATION STATEMENT ON 31 OCTOBER 2022.

	Debit	Credit
Dr. Balance according to bank statement	23 700 ✓	
Dr amount wrongly credited	11 400 ✓✓	
Cr EFT Wrongly debited		5 437 ✓✓
Cr. Outstanding deposit		17 600 ✓
Dr. Outstanding EFT – 234	3 620 ✓	
Cr. Balance according to the bank account balancing figure		15 683 ☑
	38 720 ☑	38 720
	both figures must be the same	

9

1.2

	CREDITORS' LEDGER	CREDITORS' RECONCILIATION STATEMENT
<b>Balance</b>	<b>118 010</b>	<b>161 750</b>
(i)		+ 2 800 ✓✓
(ii)	- 49 100 ✓✓	
(iii)	+ 12 500 ✓	
(iv)		- 8 400 ✓✓
(v)	- 16 900 ✓✓	
(vi)		+ 7 960 ✓✓
		- 99 600 ✓
	64 510	<input checked="" type="checkbox"/> 64 510
* <input checked="" type="checkbox"/> one part correct and must include balances		

<b>13</b>
-----------

<b>TOTAL MARKS</b>
<b>45</b>



**QUESTION 2**

2.1

Indicate whether the following statements are True or False. Write only True or False in the answer book.

2.1.1	False	✓
2.1.2	True	✓
2.1.3	False	✓

3

2.2.1

Calculate the missing amounts in the table below. Note that the standard VAT rate is 15%.

AMOUNT EXCLUDING VAT	VAT AMOUNT	AMOUNT INCLUDING VAT
36 000	5 400 ✓✓	41 400
46 000 ✓✓	6 900	
111 800		128 570 ✓✓

6

2.3.1

Calculate the cost of sales on 31 October 2022

	R
Opening stock	111 110 ✓
Purchases (412 790 ✓ – 21 212 ✓ + 8 800 ✓ – 600 ✓)	399 778 ✓
Carriage on purchases (12 345 ✓ + 580 ✓)	12 925 ✓
	523 813
Closing stock	(123 813) ✓
Cost of sales	400 000 ✓

11

<b>TOTAL MARKS</b>
20

## QUESTION 3

3.1 Debtor's collection schedule for the period October and November 2022.

	Credit sales	October	November
August	144 000	11 520	
September	126 000	50 400	10 080 ✓
October	162 000	72 900 ✓✓	64 800 ✓
November	180 000 ✓	If 90% of Nov	81 000 ✓✓
	Both totals	134 820 ✓	155 880

8

3.2 MKHIZE TRADETS  
CASH BUDGET FOR OCTOBER AND NOVEMBER 2022

	October	November
<b>RECEIPTS</b>		
Cash sales	108 000	120 000 ✓
Receipts from debtors	134 820 ✓	155 880 ✓
Loan	360 000 ✓	
Rent Income	7 400 ✓✓	8 510
	Both totals) 8	610 220 ✓
<b>PAYMENTS</b>		
Cash purchases	54 000	60 000 ✓✓
Payment to creditors	112 000	98 000 ✓✓
Loan	20 000 ✓	20 000 ✓
Interest on loan	3 600 ✓✓	3 400 ✓✓
Advertising	8 100 ✓✓	15 000
Wages	48 960 ✓✓	66 450 ✓✓
Other operating expenses	3 600 ✓	3 500 ✓
	(Both totals) 19	250 260 ✓
Cash surplus/deficit	359 960	18 040
Bank balance at the beginning	(382 450) ✓✓	(22 490) ✓
Bank balance at the end	5 (22 490) ✓	(4 450) ✓

32

-1 depreciation

TOTAL MARKS

40

**QUESTION 4**

**4.1** Indicate in which cost account each of the items will be classified by choosing the answer from the options below.

<b>4.1.1</b>	Direct material cost	✓
<b>4.1.2</b>	Administration cost	✓
<b>4.1.3</b>	Selling and distribution cost	✓

<b>3</b>

**4.2.1** Calculate the direct labour cost

Gross salary R1 450 000 ✓✓  
 Employers' contributions. 145 000 ✓✓  
1 595 000 x 60% = 957 000  one part correct  
 four marks

<b>5</b>

**4.2.2**

GENERAL LEDGER OF KETSI TRADERS									
RAW MATERIAL ACCOUNT									
2021 Mar	1	Balance	b/d	185 000	2022 Feb	28	Creditor's control		41 350 ✓
2022 Feb	28	Bank		1 486 000 ✓			Work-in-progress acc.		1 559 700 ✓
		Bank (Carriages)		42 750 ✓			Balance	c/d	112 700 <input checked="" type="checkbox"/>
				1 713 750					1 713 750 <input checked="" type="checkbox"/>
									One part correct
Mar	1	Balance	c/d	213 000					

<b>6</b>

WORK IN PROGRESS ACCOUNT									
2021 Mar	1	Balance	b/d	123 800 ✓	2022 Feb	28	Finishing goods		3 322 875 <input checked="" type="checkbox"/>
2022 Feb	28	Direct material cost		1559 700 ✓			Balance	c/d	332 675 ✓
		Direct labour cost		957 000 <input checked="" type="checkbox"/>					
		Factory overhead		1 015 050 <input checked="" type="checkbox"/>					
				3 655 550					3 655 550 <input checked="" type="checkbox"/>
									One part correct
Mar	1	Balance	c/d	213 000					

<b>7</b>



FACTORY OVERHEAD COST ACCOUNT									
2021 Feb	28	Depreciation		101 200 ✓	2021 Feb	28	Work in progress account		1 015 050 ✓
		Indirect material		22 100 ✓					
		Indirect labour 1 595 000 x 25%		398 750 ✓ See 4.2.1					
		Insurance (156 000 x 65%)		101 400 ✓✓					
		Water and electricity 99 900 x 5/9		55 500 ✓✓					
		Rent expense (240 000 x 1500/2000)		180 000 ✓✓					
		Factory sundry expenses 144 400 + 11 700		156 100 ✓✓					
				1 015 050					1 015 050

12

**4.3.1 Calculation of Break Even Point of chairs for 2022**

$$\frac{3\,910\,500 \checkmark}{450 \checkmark - 252 \checkmark}$$

198 (2) marks

= 19 750 units ✓ operation, one part correct

4

**4.3.2 Identify the variable cost that caused the biggest problem in producing chairs and bags.**

	CHAIRS	BAGS
<b>Which production cost caused the biggest problem</b>	Direct labour cost ✓	Direct material cost ✓
<b>Explanation and figures to support your opinion</b>	Increased from R130 to R165 ✓✓ By R35 OR 26,9%	Increased from R42 to R63 ✓✓ by R21 OR 50%
<b>Possible solution for Nosi</b>	Train workers to be more efficient/work less overtime/control working hours/Proper supervision/pay per completed unit ✓	Secure cheaper supplier/local supplier to cut back on delivery costs/improve security over material/ensure workers do not waste material/ improved training and supervision ✓

8

**TOTAL MARKS**

45

**TOTAL: 150 MARKS**