= P = 53 800 000 – 46 500 000 = P = 7 3000 000 FCFA

COMMON ENTRANCE EXAMINATION 2010 FIRST CYCLE ACCOUNTANCY
FILE ONE: PROVISION ON DOUBTFUL CLAIMS (5.5MKS)

The following data is extracted from VATICAN SHOPPING Trial Balance as at 31-12-2009

4162 – Doubtful customers, 775125frs

4912 – Provisioned expenses for depreciation on customer account, 280,000frs

The statement of doubtful and irrecoverable Debts is as follows;

Customers	Debts After Tax	Provisioned Expenses 31-12-09	Settlement for 2009	Observations
BEKUN	238500	60 000	178875	The rate of provision should be maintained
LETUNG	417375	40%	59625	2/3 of the debt might be recovered
NGONG	?	?	47700	For good
HELUH	596250	-	-	(1)
FESANG	178875	-	-	Irrecoverable

(1) The Balance sheet of customer KELUH is as follows;

Total Assets, 11 000 000frs

Privileged debts, 5 000 000 frs

Ordinary debts (of which they include Vatican shopping's debts): 10 000 000frss

1.1 Determine the amount of the debt owed by customer NGONG (0.25marks)

1.2 Determine the amount of NGONGS provisions expenses on 31-12-08 (0.5marks)

1.3 Determine the rate of necessity for KELUB on 31-12-08 (0.25marks)

1.4 Establish the statement of doubtful customers using the following format (4.5marks)

Customers	Debts after Tax		Settlement			Old provision		New Provision		Losses	
	OLD	NEW		Before Tax	After Tax	Rate	Amount				

FILE TWO: PRODUCTION BUDGET (6.25MARKS)

Bock Company Ltd produces and sell two product p1 and p2, these product sells at 400frs and 300frs tax exclusively respectively.

The production takes place in three workshops respectively and monthly capacities of workshops expressed in machine hours are summarized in the table below;

Production of a unit of p1 and p2

	P1	P2	Global monthly capacities
Workshop 1	2hrs 30mins	4hrs	12000hrs
Workshop 2	3hrs	3hrs	9600hrs
Workshop 3	1hrs 30mins	1hrs	4200hrs

The company wishes to extend its distribution network. It wants to proceed to the installation of an autonomous additional production structure destined to increase the existing capacity of the production and sale of the two product p1 and p2.

The characteristics will however be modified in terms of the workshops and the time of machine usage as follows;

	P1	P2	Global monthly capacities
Workshop 1	2hrs	3hrs	10000hrs
Workshop 2	2hrs	2hrs15mins	9000hrs
Workshop 3	1hrs15mins	45mins	4000hrs

The company wishes to know the program of production which maximizes its turnover you are asked to:

2.1 Determine the production of the existing production unit (1.5marks)

2.11 Establish the graph (1marks)

2.12 Present the result in a tabular form showing the different summits of the graph, the quantities of p1 and p2 produced, the turnover per product and the global turnover per month (1.5marks)

2.2 Determine the production program of the production units (0.75marks)

2.21 Establish the graph (0.75marks)

2.2 present the results in a tabular form similar to that of question 2.12 (0.75marks)

NB You are advised to use produc x for p1 and y for product p2

FILE 3: COSTING AND FUCASTING MANAGEMENT (5.57MAKS)

KENAH INDUSTRIAL COMPANY manufactures and sell a product p of which the production is done in two workshops successfully as follows;

- The centre c1 transforms the raw materials mp1 in order to obtain a semi finished product a
- The centre c2 manufactures the product. The manufacturing of each unit of p requires the use of:
  1. Unit of the semi finished product A
  2. the raw material mp2

The operating cost accounting is kept in pre establishing costing, calculate according to the normal activities of each centre

- The normal monthly activity of c1;2500hrs of direct labour

- The normal monthly activities of c2:1250frs of direct labour

The pre establish (standard) cost are determined from the following elements;

- Aunt for semi finished product A
- Raw materials mp1: 4kg at 1000fcfa each
- Direct labour: 0.5hrs at 250fcfa per hrs

A unit finished product p

- Raw material mp3 : 1.5kg at 150fcfa each
- Direct labour: 0.25hr at 200fcfa per hrs
- Indirect expenses (centre c2): 0.25 of work unit

Consumption

- Raw material mp1: 20500kg at 108fcfa
- Raw material mp2: 7300kg at 155fcfa
- Centre variable expenses
- Maintenance = = = 675000fcfa
- Energy = = = 550000fcfa
- Miscelanous = = = 8600000fcfa

Direct labour

- Centre c1 = = = 2750hrs at 245 per hrs
- Centre c2 = = = 1125hrs at 200fcfa per hrs

The monthly production of December 2009

- Centre c1 = = = 5200units of A
- Centre c2 = = = 5200units of P
- Note
- There was no stock semi finished product A in process, nor a stock at start.
- The consumption, the centers variable expenses, the direct labour, the production are relating to the actual situation of December 2009.
- The monthly budget of the centre of a normal activity is found in the following table:

Monthly budget for the centres for a normal activity

Expenses	Total	Centre C	Centre C2
Fixed Assets			
Wages	2,000,000	50	50
Rates and taxes	500,000	40	60
Rents	750,000	60	40
Depreciation	250,000	70	
VARIABLE EXPENSES			
Maintenance	700,000	50	50
Energy	500,000	80	20
Miscellaneous	800,000	70	30

The measurement units in the two centres is the hours of the direct labour; their number measures the activity of the centres.

With the above mentioned information;

3.1 Present the flexible budget of the centre c1 and c2 (3marks)

a) For the normal monthly activity

b) For the actual activity of December 2009

(Fill in appendix 1 to be handed in with your answer sheet)

3.2 Present in a tabular form, the actual cost per centre for December 2009 (1mk)

The fixed expenses of the centres are the same as those in the budget.

3.3 Present the unit standard cost of production slip (normal activity of product p.() 0.75marks) (Fill appendix 2 to be handed in with their answer sheet.

3.4 Present in a tabular form the comparism between the different element of the pre established cost and the actual (real) cost of production a of A for the month of December 2009 (centre c1 only) and calculate the variances (1mk)

FILE 4: DAILY BUSINESS TRANSACTIONS (2.5MKS)

KELUH and BROS sent credit number 731cn to SAMLOCO on the 06/11/09 with the following

- Trade Discount on invoice on 4162:10percent 120000f
- Trade discount on invoice no 464: 10 percent and 5 percent (gross amount: 2420000f)

NB: VAT is 19.25percent

4.1 Establish and fill the credit note on 731cn (1.5mk)

4.2 Make the journal entries

a) In the supplier books (0.5marks)

b) In the customers books (0.5marks)