COMPETITIVE ENTRANCE EXAMINATION INTO HTTTC BAMBILI	
CYCLE: 1^{ST} CYCLE **LEVEL**: 1^{ST} YEAR **OPTION**:ACCOUNTANCY	**Session: 2010**
DURATION: 3hrs	

Candidates are authorized to use:

- **OHADA** Accounting chart of Accounts
- Non programmable calculator

FILE ONE: PROVISIONS ON DOUBTFUL CLAIMS. (5.5mrks)

The following data is extracted from VATICAN SHOPPING'S Trail Balance as at 31 – 12 – 2009.

4162 – Doubtful customers; 775 125 FRS.

4912 – Provisioned expenses for depreciation of customers' accounts, 280 000 FRS.

The statement of Doubtful and Irrecoverable Debts is as follows:

CUSTOMERS	DEBTS AFTER TAX	PROVISIONED EXPENSES 31 – 12 – 09	SETTLEMENT FOR 2009	OBSERVATIONS
BEKUM	238 500	60 000	178 875	The rate of provision should be maintained
LETUNG	417 375	40%	59 625	2/3 of the debts might be recovered

CUSTOMERS	DEBTS AFTER TAX		SETTLEMENT	BALANCE		OLD PROVISION		NEW PROVISION		LOSSES	
	OLD	NEW		BEFORE TAX	AFTER TAX	RATE	AMOUNT	RATE	AMOUNT	DEBTS	VAT

NGONG	?	?	47 700	For food
HELUH	596 250	-	-	(1)
FESANG	178 875	-	-	Irrecoverable

(1) The Balance Sheet of customer KELUH is as follows:

Total Assets; 11 000 000 FRS.

Privileged debts; 5 000 000 frs

Ordinary debts (of which they include Vatican Shopping's debts): 10 000 000 FRS.

1.1. Determine the amount of the debt owed by customer NGONG. (0,25mrks)

1.2. Determine the amount of NGONG'S provisioned expenses on 31 – 12 – 07 (0,5mrk)

1.3. Determine the rate of necessary for KELUH on 31 – 12 – 08 (0,25mrk)

1.4. Establish the Statement of Doubtful customers using the following format: (4,5mrks)

FILE TWO: PRODUCT BUDGET (6,25mrks)

BOCK BOCK company Ltd produces and sells tow products. P1 and P2: these products sell at 400F and 300F tax exclusive respectively.

The production takes place in three workshops successively and the monthly capacities of workshops expressed in machine hours are summarized below:

Production of a unit of P1 and P2

	P1	P2	GLOBAL MONTHLY CAPACITIES

Workshop 1	2hrs 30mins	4hrs	12 000hrs
Workshop 2	3hrs	3hrs	9 600hrs
Workshop 3	1hr 30mins	1hr	4 200hrs

The company wish 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 products P1 and P2.

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

	P1	**P2**	**GLOBAL MONTHLY CAPACITY**
WORKSHOP 1	2hrs	3hrs	10 000hrs
WORKSHOP 2	2hrs	2hrs 15mins	
WORKSHOP 3	1hrs 30mins	45mins	

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. (1,5mrks)

2.1.1. Establish the graph. (1mrk)

2.1.2. Present the result in a tabular from showing the different summits of the graph, the quantities of P1 and P2 produced, the turnover per product and the global turnover of the month. (1,5mrks)

2.2. Determine the production program of the new production unit. (0,75mrk)

2.2.1. Establish the graph. (0,75mrk).

2.2.2. Present the result in a tabular from similar to that question 2.1.2 (0,75mrk)

N.B: You are advised to use for products X for P1 and Y for P2.

FILE THREE: COSTING AND FORECASTING MANAGEMENT (3,75mrks)

KENAH INDUSTRIAL COMPANY manufactures and sells a product P of which the production is done in two workshops successful as follows:

- The center C1 transforms the raw materials MPI in order to obtain a semi finished product A.
- The center C2 manufactures the product P. The manufacturing of each unit of P requires the use of:
  - ❖ A unit of the semi-finished product A.
  - ❖ And the raw material MP2

The operating cost accounting is kept in pre – established costing, calculated according to the normal activity of each center:

- The normal monthly activity of C1:2500hurs of direct labour;
- The normal monthly activity of C2:1 250 hours of direct labour.

The pre – established (standard) costs are determined from the following elements:

A unit of semi – finished product "A":

- Raw material MP1 :4kg at 100FCFA each.
- Direct labour : 0.5hours at 250FCFA per hour.
- Indirect expenses (center C1) :0,5hours of work unit.

A unit of finished product "P"

- Raw material MP1 : 1,5kg at 150FCFA.
- Direct labour : 0.25hours at 200FCFA.
- Indirect expenses (C2) :0.25hours of work unit.

Consumption:

- Raw material MP1: 20 500kg at 108FCFA.

- Raw material MP2: 7 300kg at 155FCFA.

Center's variable expenses:

- Maintenance ………………………………………………..675 000FCFA
- Energy …………………………………………………550 000FCA
- Miscellaneous……………………………………………860 000FCFA

Direct labour:

- Center C1……………………………………..2 750hours at 245FCFA per hour.
- Center C2……………………………………1 125hours at 200FCFA per hour.

The monthly production of December 2009

- Center C1…..……………………………………5 200 units of A.
- Center C2………………………………………5 200 units of P.

Notes:

- There was no stock of the finished product A in – process, not 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 center for a normal activity is found in the following table:

  Monthly budget of the centers for a normal activity

EXPENSES	**TOTAL**	**CENTER C1**	**CENTER C2**
FIXED EXPENSES			
Wages	2 000 000	50%	50%
Rates and taxes	500 000	40%	60%
Rents	750 000	60%	40%
Depreciations			

	250 000	70%	30%
VARIABLE EXPENSES			
Maintenance	700 000	50%	50%
Energy	500 000	80%	20%
Miscellaneous	800 000	70%	30%
The measurement unit in the two centers is the hours of direct labour, their number measures the activity of the centers.			

With above mentioned information;

3.1. Present the flexible budget of the center C1 and C2. (3mrks)

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 center for December 2009 (1mrk)

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

(Fill appendix 2 to be handed in with your answer sheet)

3.3. Present the unit standard cost of production Slip(normal activity) of product P. (0.75mrk) (Fill appendix 3 to be handed in with your answer sheet)

3.4. Present in a tabular form, the comparison between the different elements of the pre – established cost and the actual (real) cost of production of A for the month of December 2009(center C1 only) and calculate the variances. (1mrk)

FILE FOUR: DAILY BUSINESS TRANSACTIONS

(2,5mrks)

KELUH and BROS sent credit Note no 731CN to SAM – LOCO on 06 / 11 / 09 with the following:

Trade discount on invoice no 4162: 10%1200 000F

Trade discount on invoice no 4642: 10% and 5% (Gross amount: 2 420 000F).

N.B: VAT is 19.25%

4.1. Establish and Fill the Credit Note no 731CN (1,5mrk)

4.2. Make the journal entries:

4.2.1. In the supplier's books (0,5mrk)

4.2.2. In the customer's books (0,5mrk)