CAMEROON GENERAL CERTIFICATE OF EDUCATION BOARD
Technical and Vocational Education Examination

7010 COST AND MANAGEMENT ACCOUNTING 1

JUNE XXXX **ADVANCED LEVEL**

Specialty(Specialty Code)	
Centre No.	
Centre Name	
Candidate No.	
Candidate Name	

Mobile phones are **NOT** allowed in the examination room

7010 COST AND MANAGEMENT ACCOUNTING 1: MULTIPLE CHOICE QUESTION PAPER

One and a half hours

INSTRUCTIONS TO CANDIDATES

Read the following instructions carefully before you start answering the questions in this paper. Make sure you have a soft HB pencil and an eraser for this examination.

1. USE A SOFT HB PENCIL THROUGHOUT THE EXAMINATION.
2. DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO.

Before the examination begins:

3. Check that this question booklet is headed **Advanced Level** – **7010 COST AND MANAGEMENT 1**
4. Insert the information required in the spaces above.
5. Insert the information required in the spaces provided on the answer sheet using your HB pencil: **Candidate Name, Exam Session, Subject Code, Centre Number and Candidate Number.** Take care that you do not crease or fold the answer sheet or make any marks on it other than those asked for in these instructions.
6. **Answer ALL questions**
7. Each question has FOUR suggested answers: **A, B, C** and **D**. Decide on which answer is correct. Find the number of the question on the Answer Sheet and draw a horizontal line across the letter to join the square brackets for the answer you have chosen.
   For example, if **C** is your correct answer, mark **C** as shown below:
   [A] [B] ~~[C]~~ [D]
8. Mark only one answer for each question. If you mark more than one answer, you will score a zero for that question. If you change your mind about an answer, erase the first mark carefully, then mark your new answer.
9. Avoid spending too much time on any one question. If you find a question difficult, move on to the next question. You can come back to this question later.
10. Do all rough work in this booklet, using, where necessary, the blank spaces in the question booklet.
11. Texts, notes and pre-prepared materials of any kind are also **NOT** allowed in the examination room.
12. **At the end of the examination, the invigilator shall collect the answer sheet first and then the question booklet after. DO NOT ATTEMPT TO LEAVE THE EXAMINATION HALL WITH IT**.

Turn Over

1. The average cost of a project is 500,000 CFAF The average profit of the project is 200,000 CFAF
What is the accounting rate of return (ARR)?

A	60 %
B	50 %
C	40 %
D	20 %

2. A budget that takes into consideration linear programming model is known as

A	Sales budget
B	Investment budget
C	Supply budget
D	material budget

3. Which of the following is not a discounted cash flow technique of capital investment?

A	Net present value
B	Pay back period
C	profitability value
D	Internal rate of return

4. What is the objective function of a company who produces X and Y quantities of a product, if X equals to 1500 and Y = 2,500. What is T

A	T = 1200X t 2000Y
B	T = 2500Y t 1500Y
C	T = 1500X t 2500Y
D	T = 1500X t 2000Y

5. A stock level that should be far above the minimum stock is

A	Critical level
B	Maximum stock
C	Minimum stock
D	Reorder stock level

6. The ordering cost is 6,750 CFAF per order and the holding per day is 0.10 CFAF. The annual usage is 50,000 units. There are 365 days. What is the EOQ?

A	5,000 units
B	4,300 units
C	6,750 units
D	3,650 units

7. Using question 6, what is the N the number of order

A	10
B	12
C	8
D	4

8. The cash in cashment for three months is October 740,000 CFAF, November 950,000 CFAF December 1,050,000 CFAF.
The cash disbursement for same period is November 550,000 CFAF, October 320,000 CFAF and December is half of November.
The negative opening balance is 220,000 CFAF.
What is the closing balance as at 31 December 2019?

A	1 520,000 CFAF
B	1 325,000 CFAF
C	1 375,000 CFAF
D	1 050,000 CFAF

9. Which of the following is a cash encashment?

A	Taxation
B	Depreciation budget
C	Suppliers budget
D	Customer budget

10. Which of the following is not a cash budget item?

A	Taxation budget	
B	Depreciation budget	
C	Suppliers budget	
D	forecast budget	

11. The capital cash outflow is 12,000,000 CFAF of project and the four years present value is
Year1. (- 4 21,950) CFAF
Year2. 2,640,900 CFAF
Year3. 5,108,500 CFAF
Year4. 2,535,500 CFAF
What is the net present value?

A	12,000,000 CFAF
B	2,137,050 CFAF
C	2,137,050 CFAF
D	15,000 CFAF

12. The net cash flow is 15,000,000 CFAF with discount factor of 12.5. The present value for zero year is

A	15 ,000,000 CFAF Negative
B	15 ,000,000 CFAF positive
C	1,875,000 CFAF negative
D	1,875,000 CFAF positive

13. Which of the following is added back to have the net cash flow

A	Taxation
B	Expenses
C	Income
D	Depreciation

14. The net profit after tax for a project in year zero is 10,000,000 CFAF and year 1 is 1 363,000 CFAF, Depreciation is constant 5,000,000 CFAF, Income 3,000,000 CFAF and expenses 2,500,000 CFA F. The net cash flow for year1 is

A	6,000,000 CFAF
B	6,363,000 CFAF
C	6,863,000 CFAF
D	8,000,000 CFAF

15. Two projects are mutually exclusive but with a negative net present value of 670,000 CFAF and 990,000F.
Which project will the manager accept?

A	670,000 CFAF
B	990,000 CFAF
C	None of them
D	All of them

16. Cash flow with a project initial capital of 3,000,000 CFAF is
Year 1. 1,000,000 CFAF,
Year 2. 1,500,000 CFAF
Year 3. 500,000 CFAF,
Year 4. 400,000 CFAF
What is the payback period?

A	two years
B	three years
C	Four years
D	One year

17. Taking the example on 16 above. If the initial capital is 4,000,000 CFAF. The payback period is

A	four years
B	three years
C	Less than four, greater than three
D	Less than two greater than three

18. The contribution to fixed cost is that?

A	Fixed cost is equal to contribution
B	Fixed cost is greater than contribution
C	Fixed cost is less than contribution
D	Fixed cost is not contribution

19. Total contribution is calculated as

A	Fixed cost is not contribution
B	Sales minus variable cost
C	Sales is equal to fixed cost
D	Sales is equal to variable cost

20. Margin of safety is the difference between

A	Budgeted sales minus break even sales
B	Annual budget sales minus break even point
C	Break even minus break even
D	breakeven point plus budgeted break even

21. The budgeted units of a company amounted to 5,000,000 CFAF. Fixed cost is 20,000,000 CFAF selling price per unit is 3,000 CFAF and variable cost is 2,000CFAF. What is the contribution?

A	3,000 CFAF
B	2,000 CFAF
C	1,000 CFAF
D	5,000 CFAF

22. Use the information on 21 above. What is the margin of safety?

A	10,000 units
B	5,000 units
C	15,000 units
D	20,000 units

23. The profit is 1,500 CFAF. The contribution is 0.75 F, with a fixed cost of 10,000,000 CFAF. What is the breakeven point?

A	15 233 units
B	15 666 units
C	15 333 units
D	12 333 units

24. In a company, the unit produced is 500,000 CFAF and units sold is 250,000 CFAF with a fixed cost of 5,000,000 CFAF. Calculate the rational imputation coefficient

A	0.8
B	0.5
C	0.10
D	0.20

25. What is the imputed fixed overhead cost of the period taking 24 above

A	3,000,000 CFAF
B	1,500,000 CFAF
C	5,000,000 CFAF
D	2,500,000 CFAF

Turn Over

26. The actual material price of a product is 5,000,000 CFAF. The standard price is 6,000 CFAF; the actual quantity is 3,500 units. What is the material price variance?

A	1,000,000 CFAF Adverse
B	2,000,000 CFAF Favourable
C	1,000,000 CFAF Favourable
D	2,000,000 CFAF Adverse

27. Material usgae variance is favourable when

A	Actual quantity is greater than standard quantity to the standard price
B	Actual quantity is less than standard quantity to the standard price
C	Actual quantity is greater than standard quantity to the actualprice
D	Actual quantity is less than standard quantity to the actual price

28. A company in Kumba has the following total cost. At those activity level.

OUTPUT	5 000	7 000	8 500
TOTAL COST F	500,000	600,000	640,000

What is the variable cost per unit. Using high and low methods

A	73.3CFA F/unit
B	50 CFAF/unit
C	40 CFAF/unit
D	60 CFAF/unit

29. Using the information on 28 above, what is the fixed cost for the company?

A	160,000 CFAF
B	248,000 CFAF
C	240,000 CFAF
D	300,000 CFAF

30. Which of the following is a decision cost, which cannot be changed by management?

A	Sunk cost
B	Overhead cost
C	Investment cost
D	prime cost

31. SUPERMAN and CO in Bamenda, has the following information.

	CFAF per unit
Direct material cost	500
Direct labour cost	1,500
Variable production overhead	300
Fixed production overhead	700
TOTAL COST	3,000

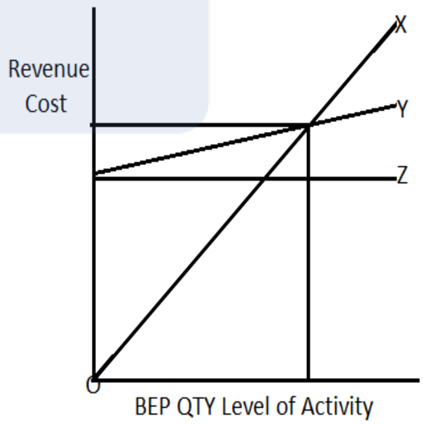
The selling price is 2,500 CFAF per unit 1,000 units were produced and 800 units sold,what is the value of closing stock based on full costing ?

A	600,000 CFAF
B	480,000 CFAF
C	540,000 CFAF
D	460,000 CFAF

32. LIGHTMAM Ltd has the following information.
Actual sales 1,000 units at 6,500 CFAF each,
Budgeted output and sales for the period is 900 units. Standard selling price is 7,000 CFAF per unit. What is the sales volume variance?

A	650,000 CFAF Adverse
B	650,000 CFAF Favourable
C	700,000 CFAF Adverse
D	700,000 CFAF Favourable

33. Study the breakeven chart below



X on the break even chart above

A	Total variable cost
B	Total fixed cost
C	Total contribution
D	Total revenue

34. The formula used to calculate break even units when a profit is to be determined is

A	$= \dfrac{Fixed\ Cost}{Contribution\ to\ Sales}$
B	$\dfrac{Fixed\ Cost\ x\ Selling\ Price}{Contribution\ per\ unit}$
C	$= \dfrac{Fixed\ Cost + estimated\ profit}{Contribution\ per\ unit}$
D	$\dfrac{Fixed\ Cost - estimated\ profit}{Contribution\ per\ unit}$

35. EOQ model with a quantity discount attempts to determine.

A	How many units should be ordered
B	What is the lowest purchase price
C	Whether to use fixed quantity or fixed period order policy
D	None of the above

36. Our parent manufacturing company produces a single product, the details are:
Sales 4,000 units, Opening stock 500 units
Management have started their discussion to reduce stock levels and the closing stock is budgeted to be 300 units, what quantity is to be produced ?

A	3 500 units
B	4 000 units
C	3 800 units
D	3 700 units

37. A company has the following cost, direct material 860,000 CFAF, direct labour 450,000 CFAF, variable manufacturing overhead 260 000 CFAF, fixed manufacturing overhead, period cost 50,000 CFAF. The manufacturing cost using the marginal costing technique is:

A	1,820,000 CFAF
B	1,620,000 CFAF
C	1,570,000 CFAF
D	1,870,000 CFAF

38. A companys unit selling price is 1 600 CFAF, the unit variable cost is 1200 F and the fixed cost are 1 600 000 CFAF, the break even unit are

A	5,000 units
B	1,333 units
C	1,000 units
D	4,000 units

39. A company has made sales of 5,000,000 CFAF and variable cost is 2,000,000 CFAF and fixed cost is 2,400,000 CFAF
What is the C/s ratio?

A	40 %
B	60 %
C	48 %
D	52 %

40. A company consumes annually 1,100,000 units of raw material; the unit purchase price of the raw material is 1,500 CFA. The cost of placing an order is 330,000 CFAF. The storage cost is 10 %.
The number of orders to place is

A	16
B	15
C	14
D	17

41. A company consumes annually 110 000 units of raw material, the unit purchase price of the raw material is 150 F. The cost of placing an order is 33 000 F. The storage cost is 10 %.
The economic order quantity (EOQ) is

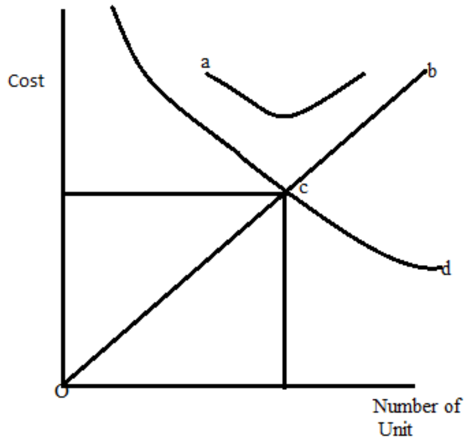
A	22 500 units
B	22 000 units
C	21 500 units
D	20 000 units

42. A company realises an annual turn over of 15,000,000 CFAF in 2019, The total charge for the same period were 12,600,000 CFAF of which 3 600,000 F amounted to fixed charges.
The break even value of the company is

A	8,000,000 FCAF
B	9,000,000 FCAF
C	9,090,000 FCAF
D	8,080,000 FCAF

Turn Over

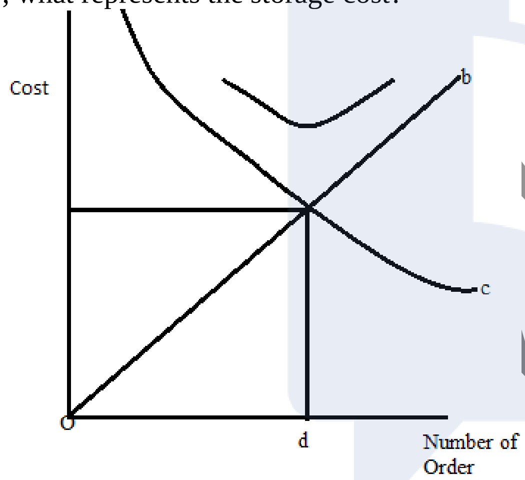
43. A company has its stock control graph as follows:



The holding cost is

A	A
B	B
C	C
D	d

44. Given the graph of optimal number of order below, what represents the storage cost?



A	A
B	B
C	C
D	d

45. Alarm stock level is also called:

A	Reorder stock level
B	Minimum stock level
C	Reorder quantity level
D	Maximum stock level

46. The actual wages rate is 1,950 CFAF. The standard wage rate is 2,000 CFAF. The standard hour is 3,000 and actual hour is 2,100. What is the labour wage rate variance?

A	200,000 CFAF Adverse
B	150,000 CFAF Favourable
C	150,000 CFAF Adverse
D	200,000 CFAF Favourable

47. The actual wages rate is 1,950 CFAF. The standard wage rate is 2,000 CFAF. The standard hour is 3,000 and actual hour is 2,100. What is the labour efficiency variance?

A	1,070,000 CFAF Favourable
B	1,800,000 CFAF Favourable
C	1,080,000CFAF Favourable
D	1,070,000 CFAF Adverse

48. If the total sales is 12,000,000 CFAF. The total variable cost is 75 %, the contribution margin is

A	9,000,000 CFAF
B	4,000,000 CFAF
C	5,000,000 CFAF
D	3,000,000 CFAF

49. The fixed cost is 120,000 CFAF, contribution is 6 000 F per unit, the variable cost per unit is 4,000 CFAF. What is the PV ratio ?

A	80 %
B	70 %
C	60 %
D	20 %

50. The formular to calculate the overhead absorption rate (OAR) is

A	$\frac{TotalCost}{TotalLevel}$
B	$\frac{TotalOverheadCost}{TotalLevelOfActivityWorked}$
C	$\frac{TotalOverheadOfCostCentre}{TotalLevelOfactivityBase}$
D	$\frac{TotalOverheadCost}{ActualActivityLevel}$

NOW GO BACK AND CHECK YOUR WORK