

**GENERAL CERTIFICATE OF EDUCATION BOARD**  
Technical and Vocational Education Examination

**JUNE 2026**

**ADVANCED LEVEL**

|                            |                                |
|----------------------------|--------------------------------|
| Specialty Name and Acronym | ACCOUNTING – ACC               |
| Subject Title              | Cost and Management Accounting |
| Subject Code No.           | 7010                           |
| Paper No.                  | 3                              |

**Duration: Three Hours**

**INSTRUCTIONS TO CANDIDATES**

**This Paper Comprises SIX Questions. Answer FIVE (5)**

**Starting each Question on a New Page.**

Each question carries 20 marks.

*If you answer MORE THAN five (5) questions, ONLY the first five (5) answers presented will be marked. Meanwhile, the other answer will be cancelled.*

You are allowed to use **NON-PROGRAMMABLE CALCULATORS** and **GRAPH PAPERS** where need be.

Charts of Accounts and formulae booklets are **NOT ALLOWED** for this Paper.

You must use **ONLY** Blue or Black ink. No answer in Pencil will be marked.

All Appendices filled or completed should be slotted in the answer booklet.

Do not write your name or candidate number on the appendices

All necessary calculations must be shown.

*Read carefully through the question paper, before you begin your answers.*

*You are reminded of the necessity for good English and orderly presentation in your answers.*

**Turn Over**

1. MATOH Plc wished to determine the variances of production between the standard costs and the actual costs for the month of January 2023.

The standard production for the month of January is 1,000 cases of reams required the following:

- 40,000kg of raw materials at 96 CFAF per kg
- 2,000 hours of direct labour at 5,760 CFAF per hour
- 4,000 hours of machine at 6,000,000 of which 2,400,000 CFAF fixed expenses

The actual production of the month of January 2023 is 900 cases. This production has required:

- 38,400 kg of raw materials at 90 CFAF per kg;
- 1,730 hours of direct labour at 5,000 CFAF per hour;
- 2,100 hour-machine representing 3,360,000 CFAF variable expenses and 2,062,200 CFAF of fixed expenses.

**Required:**

- (i) Write down the flexible budget equation (3 marks)
  - (ii) Present the standard cost card of a case using appendix 1 (5 marks)
  - (iii) Present the table of comparison between standard costs and actual costs using appendix 2 (9 marks)
  - (iv) Analyse the variance on direct labour using the two sub-variance method (3 marks)
- (Total 20 marks)**

2. DONALDCAM is a private company based in Douala and produces soap from palm oil packaged in drums of 120 litres each. The projected consumption of palm oil in 2023 and other information relating to supply budget is given below:

Consumption of palm oil 2023 (in litres)

| Month       | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEPT | OCT | NOV | DEC |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|
| consumption | 216 | 360 | 420 | 432 | 456 | 540 | 528 | 120 | 588  | 504 | 432 | 204 |

Other information

- Stock of palm oil on December 2022 was 2 drums;
- Ordering cost 5,760 CFAF
- Stock holding cost of the average stock is 5 CFAF per litre and per month;
- Safety stock corresponds to a month of consumption;
- Orders and deliveries take place at the beginning of each month;
- Supplying intervals correspond is one month;
- Unit purchase cost 16,000 CFAF per drum of palm oil;
- Supply budget is prepared with constant quantities;

**Required:**

- (i) Fill the table of calculation of elements relating to stock management using appendix 3 (8 marks)
  - (ii) From the table show the number of orders to be place a year and determine the economic order quantity. (2 marks)
  - (iii) Prepare the supply budget for the first 6 months of 2023 using appendix 4 (10 marks)
- (Total 20 marks)**

3. LUKONG PLC manufactures machines and sells in CEMAC zone. For the year ended 2012, the turnover amounted to 60,480,000 CFAF, for the sales of 1,680 machines. The market of machines of the same type of the same year was 11,200 machines. The expenses analysis for 2012 was as follows:

- Part and consumable items: 35,112,000 CFAF
- Selling expenses: a commission of 5% of the turnover to sales agents.
- Fixed expenses:
  - Administrative: 6,500,000 CFAF
  - Production: 11,560,000 CFAF
  - Selling : 3,050,000 CFAF

**Required:**

- (i) Present a differential operating table using appendix 5 (8 marks)
  - (ii) How many machines should be sold by LUKONG PLC, in order to break even? (4 marks)
  - (iii) What quantity should be sold to make a profit of 3,234,000 CFAF (4 marks)
  - (iv) Calculate the break-even point if the company wishes to have a safety index of 40%. (4 marks)
- (Total 20 marks)**

4. SABICHAN realised the following operations during the first 5 months of 2023:

| Month    | Sales<br>CFAF | Purchases<br>CFAF | Monthly<br>expenses | Monthly<br>receivables |
|----------|---------------|-------------------|---------------------|------------------------|
| January  | 1,900,000     | 1,440,000         | 140,000             | 25,000                 |
| February | 2,100,000     | 1,640,000         | 120,000             | 35,000                 |
| March    | 3,000,000     | 2,230,000         | 100,000             | 50,000                 |
| April    | 1,840,000     | 2,660,000         | 110,000             | 40,000                 |
| MAY      | 1,360,000     | 2,480,000         | 430,000             | 30,000                 |

Analysis shows that:

- Debtors settle 70% in the month following the sales and the remaining 30% in second month following sales.
- All purchases are on credit and creditors are paid 90% in the month of purchases and 10% the month following the purchases.
- The amount of cash as of March 1st is 550,000 CFAF.

**Required:** Prepare a cash budget during the period of March 2023 to May 2023.

(20 marks)

(Total 20 marks)

5. An enterprise produces two products P1 and P2 in 3 workshops. The production conditions are as follows:

| Elements                   | Preparation  | Mounting     | Finishing   |
|----------------------------|--------------|--------------|-------------|
| P1                         | 1 hour       | 2 hour       | 0.5 hour    |
| P2                         | 1 hour       | 1.5 hour     | 1 hour      |
| Available maximum capacity | 10,000 hours | 18,000 hours | 8,000 hours |

**Additional Information:**

- Unit selling price is 200 CFAF for P1 and 180 CFAF for P2.
- The unit variable cost is 130 CFAF for P1 and 100 CFAF for P2.
- The fixed cost is 2,000,000 CFAF per centre of production
- With the limited market for the products P1 and P2, it is impossible to envisage the production of more than 8,000 units for P1 and 7,000 units for P2.

**Required:**

- State the objective function that maximises contributions. (2 marks)
- Establish the constraints of the production program as inequalities. (6 marks)
- Represent graphically the linear program (identify the acceptability zone). (6 marks)
- Present in a table form the results showing the different summits (points) of the graph, quantities of P1 and P2, the results per product and the global results. (4 marks)
- Deduce the economic optimum. (2 marks)

(Total 20 marks)

6. Lonla hospital, a non-profit organization, estimates that it can save 2,800,000 CFAF a year in cash operating cost for the next 10 years. If it buys a special eye testing machine at a cost of 11,000,000 CFAF, no terminal disposal value is expected. Lonla hospital required rate of return is 14%. Assume all cash flows occur at the end of the year except for initial investment amount, Lonla hospital uses the straight line depreciation method.

The following discounting factor was available:

| Year                   | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Discount factor at 14% | 0.877 | 0.769 | 0.675 | 0.592 | 0.519 | 0.456 | 0.392 | 0.351 | 0.308 | 0.269 |
| Discount factor at 25% | 0.8   | 0.64  | 0.512 | 0.409 | 0.328 | 0.262 | 0.209 | 0.168 | 0.134 | 0.107 |

**Required:** Calculate the following for the special purpose testing machine

- Net present value at 14% and 25% (6 marks)
- Discounting payback period at 14% discounting rate (6 marks)
- Internal rate of return (5 marks)
- Accounting rate of return (3 marks)

(Total 20 marks)

# APPENDICES TO BE COMPLETED AND HANDED IN WITH THE ANSWER BOOKLET

Appendix 1 for question 1 (ii): Standard cost of a case

| Element                | Qty | UP | Amount |
|------------------------|-----|----|--------|
|                        |     |    |        |
| Standard cost per case |     |    |        |

Appendix 2 for question 1 (iii): Comparison table

| Elements | Real cost |    |        | Standard cost |    |        | Variance   |         |
|----------|-----------|----|--------|---------------|----|--------|------------|---------|
|          | Qty       | up | Amount | Qty           | UP | Amount | Favourable | Adverse |
|          |           |    |        |               |    |        |            |         |
|          |           |    |        |               |    |        |            |         |

Appendix 3 for question 2(i): Table of calculation of elements relating to stock management

| Number of orders | Quantities | Ordering cost | Average stock in quantities | Holding cost | Total cost |
|------------------|------------|---------------|-----------------------------|--------------|------------|
| 1                |            |               |                             |              |            |
| 2                |            |               |                             |              |            |
| 3                |            |               |                             |              |            |
| 4                |            |               |                             |              |            |
| 5                |            |               |                             |              |            |
| 6                |            |               |                             |              |            |
| 7                |            |               |                             |              |            |

**Appendix 5 for question 3 (i): Differential operating table**

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