

## **WARNING**

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Family Name	
Given Names	
Student Number	
Teaching Period	Semester 1, 2017

<b>FINAL EXAMINATION</b>	<b>DURATION</b>				
<b>ACT101 – Accounting for Managers</b>	<table border="1"> <tr> <td>Reading Time:</td> <td><b>10</b> minutes</td> </tr> <tr> <td>Writing Time:</td> <td><b>180</b> minutes</td> </tr> </table>	Reading Time:	<b>10</b> minutes	Writing Time:	<b>180</b> minutes
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**INSTRUCTIONS TO CANDIDATES**

The examination has two sections: Section A (Practical Questions) and Section B (Multiple Choice Questions). Section A must be answered on the Exam booklet provided. Section B must be answered on the Multiple Choice Answer sheet provided and must be handed in with your answer booklet.

**EXAM CONDITIONS**

**You may begin writing from the commencement of the examination session.** The reading time indicated above is provided as a guide only.

This is a RESTRICTED OPEN BOOK examination

Any non-programmable calculator is permitted

No handwritten notes are permitted

Hard copy, unannotated English translation dictionary only

<b>ADDITIONAL AUTHORISED MATERIALS</b>	<b>EXAMINATION MATERIALS TO BE SUPPLIED</b>
No additional printed material is permitted	1 x 16 Page Book 1 x 4-Multiple Choice Answer Sheet 1 x Scrap Paper

**THIS EXAMINATION IS PRINTED  
DOUBLE-SIDED.**

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## SECTION A

**Total marks for this section: 70 marks**

Answer **ALL** questions. Marks for each question are indicated.  
Suggested time allocation for Section A: 135 minutes.

### Question 1: (10 Marks)

**Required: Classify the following transactions according to whether they relate to operating, investing or financing activities or none of those categories for the purposes of preparing a statement of cash flows.**

1. Received cash of \$14 000 from the sale of equipment previously used in carrying out the entity's operations.
2. Paid cash of \$11 000 to accounts payable for inventory previously purchased on credit.
3. Received \$45 000 cash from accounts receivable.
4. Paid cash dividends to shareholders \$54 000.
5. Issued shares in exchange for land \$105 000.
6. Paid insurance in advance \$9000 cash.
7. Purchased vehicles for use in the business for \$48 000 cash.
8. Deposited \$12 000 into a short-term deposit, redeemable at call.
9. Issued \$85 000 in shares in exchange for cash.
10. Borrowed \$40 000 in cash repayable in five years.

### Question 2: (10 Marks)

**Required: Calculate a, b, c, and d in the following table.**

Current assets	+	Non-current assets	=	Current liabilities	+	Non-current liabilities	+	Capital	Profit/loss
200		a.		1 700		1 100		4 000	700
6 400		19 700		50		400		b.	750
15 100		8 400		3 900		2 200		11 100	c.
d.		5 700		10 700		17 900		3 500	5 300

### Question 3: (8 Marks)

Presented below are financial statement items for Vegas City (a sole trader) for the period ended 30 September 2017.

**Required: Prepare a statement of profit or loss (income statement) for the period ended 30 September 2017.**

a. Cash	\$99 000	g. Rent expense	2 420
b. Accounts receivable	11 000	h. Internet expense	660
c. Service revenue	26 400	i. Petrol expense	6 160
d. Advertising expense	8 800	j. Insurance expense	880
e. Accounts payable	6 600	k. Equipment	132 000
f. Expenses owing	3 960		

### Question 4: (12 Marks)

A friend who owns a small entity trading as Jobs Galore knows that you are studying accounting, and has asked if you would **prepare the entity's classified balance sheet as at 30 June**. The friend has provided you with the following list of assets and liabilities (the equity figure has not been provided and you need to calculate it) to perform this task.

Cash	\$ 4 260
Motor vehicles	23 800
Equipment	13 090
Monies owed by customers	3 220
Monies owed to suppliers	5 600
Loan due to be paid in two years	17 960
Wages owed to employees	1 100
Rent paid in advance	510

### Question 5: (20 Marks)

Chloe Enterprises operates a single-product entity. Data relating to the product for 2016 were as follows.

Annual volume	32 000 units
Selling price per unit	\$ 60
Variable manufacturing cost per unit	28
Annual fixed manufacturing costs	120 000
Variable marketing and distribution costs per unit	12
Annual fixed non-manufacturing costs	360 000

#### Required

- Calculate the break-even in both dollars and units for 2016. (5 Marks)
- Calculate the margin of safety in both units and sales dollars. (5 Marks)
- Calculate the profit achieved in 2016 given the annual volume of 32 000 units. (5 Marks)
- Changes in marketing strategy are planned for 2017. This would increase variable marketing and distribution costs by \$4 per unit, and reduce fixed non-manufacturing costs by \$80 000 per year. Calculate the units that would need to be sold in 2017 to achieve the same profit as in 2016. (5 Marks)

### Question 6: (10 Marks)

Mallett Manufacturing estimates the following activity for the coming year:

- expected production 46 000 units
- expected direct labour hours 3 500 hours
- expected manufacturing overhead \$184 000.

Manufacturing overhead is allocated on the basis of direct labour hours. At the end of the financial period, the following information was collected:

- direct labour hours 4 700 hours
- manufacturing overhead \$204 000.

#### Required

- Calculate the predetermined indirect cost rate at the beginning of the year.
- Calculate the actual indirect cost rate for the year.