



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

COST AND MANAGEMENT ACCOUNTING N5

14 October 2020

This marking guideline consists of 9 pages.

SECTION A**QUESTION 1**

1.1	1.1.1	D		
	1.1.2	A		
	1.1.3	B		
	1.1.4	C		
	1.1.5	C		
	1.1.6	C		
	1.1.7	B		
	1.1.8	A		
	1.1.9	D		
	1.1.10	B		
	1.1.11	B		
	1.1.12	B		
	1.1.13	A		
	1.1.14	A		
	1.1.15	C		
	1.1.16	C		
	1.1.17	D		
	1.1.18	A		
	1.1.19	B		
	1.1.20	C		
			(20 × 2)	(40)
1.2	1.2.1	E		
	1.2.2	D		
	1.2.3	F		
	1.2.4	G		
	1.2.5	A		
			(5 × 2)	(10)
1.3	1.3.1	Safety stock is stock that is kept on hand in case new stock is not delivered on time, and which is then used to ensure that there are no stoppages in production.		
	1.3.2	Applied manufacturing overheads are the overheads calculated to determine which part of the manufacturing overheads has already been allocated to the production process.		
	1.3.3	In a piece rate system, workers are paid according to the number of units they produce.		
	1.3.4	Fringe benefits are the amounts paid in addition to a basic salary, such as housing subsidy, travel allowance, et cetera.		
	1.3.5	Financial statements are statements like the production cost statement, income statement and balance sheet.		
			(Any 5 × 2)	(10)
				[60]
			TOTAL SECTION A:	60

SECTION B**QUESTION 2**

- 2.1 2.1.1 Order point
- Maximum usage × Maximum order period ✓
- $$= 2\,500 ✓ \times 3 ✓$$
- $$= 7\,500 \text{ tons} ✓ \quad (4)$$
- 2.1.2 EOQ=
- $$\frac{\sqrt{2 \times \text{annual consumption} \times \text{order cost} ✓}}{\text{Holding cost}}$$
- $$= \frac{\sqrt{2 ✓ \times 100\,000 ✓ \times 20 ✓ ✓}}{11,50 ✓ ✓}$$
- $$= \sqrt{347\,826,08} ✓$$
- $$= 589,76 \text{ tons} ✓ \quad (9)$$
- 2.1.3 Maximum stock
- Order point + EOQ – (Minimum usage × Minimum order period) ✓
- $$= 7\,500 + 589,76 ✓ - (1\,500 \times 1) ✓$$
- $$= 8\,089,76 - 1\,500 ✓$$
- $$= 6\,589,76 \text{ tons} ✓ \quad (5)$$