

MAGANJO INSTITUTE OF CAREER EDUCATION

COURSE STRUCTURE: ACCOUNTANCY UNIT FIVE

COURSE OBJECTIVES AND OUTCOMES	MODULE/ PAPER	CLASS ROOM ASSIGNMENTS CREDITS	HOME TAKE ASSESSMENT CREDITS	UNIT EXAMS CREDITS	TOTAL CREDITS PER MODULE
<p>At the end of this unit, a student is expected to have studied the prescribed modules in this unit and to have done completed all the prescribed assignments and unit exams.</p> <p><u>The objectives of this study unit are;</u></p> <ul style="list-style-type: none"> to introduce the student to the history and science of Marketing and business administration to equip them with student with Marketing and business administration techniques to enable the learner understand and take responsibility for their own learning , career development and rights and responsibilities within the industry to help the student learn how to manage client and staff relations with in the industry to enable the student understand the social and economic environment within which businesses operate <p><u>The expected outcomes of this course unit are;</u></p> <ul style="list-style-type: none"> The student should be able to define key words and explain key concepts in the prescribed modules The student will be able to understand key factors of business success The student will be able to perform key marketing operations The student will be able to perform key administrative functions 	962	6.00	6.00	8.00	20.00
	901	6.00	6.00	8.00	20.00
	862	4.00	4.00	6.00	12.00
	131	6.00	6.00	8.00	20.00
	441	4.00	4.00	4.00	12.00
	781	4.00	4.00	6.00	14.00
	TOTAL	30.00 CREDITS	30.00 CREDITS	40.00 CREDITS	100.00
	<u>References</u>				

Cost Accounting (962)

ASSESSMENT:

For purpose of assessing and your progress, please answer the following questions as best as you can.

You must hand in your work within a period of 3 weeks for marking and recording. The tutor concerned reserves the right to reject your work if there is reason to suspect that someone else has done it for you. You will be subjected to snap questions as you hand in. this is meant to confirm whether the completed work is original to you.

EXERCISE

1. Define overheads and explain their classification
2. What is overhead allotment? Discuss the various stages of overhead allotment
3. Discuss the procedure of charging of overheads of service departments to production departments
4. Narnakula clothing factory has four departments A, B and C are production departments and 0 is a service department.

The actual costs for the financial year ended 31et December 1985 were as follows:

	Shs
Rent	20,000
Repairs to plant	12,000
Depreciation of plant	9,000
Light and power	2,000
Supervision	30,000
Repairs to building	8,000

The following information about the departments is available and is used as a basis for distribution of costs:

	A	B	C	D
Area sq. metres	1500	1100	900	500
Numb of employees	20	15	10	5
	Shs.	Shs.	Shs.	Shs.
Wages paid	120,000	80,000	60,000	40,000
Value of plant	300,000	180,000	120,000	

REQUIRED:

Apportion the above costs to the four departments and indicate the basis of apportionment in each case.

5. What is absorption of overheads? Discuss various methods of overheads absorption
6. Explain the factors taken into consideration in respect of choosing the absorption method
7. That is meant by under or over absorption of overheads? How are the under or over absorbed overheads treated?
8. (a) Name five different rates used for absorption of overheads
9. The following information is available from the manufacturing company:

	Shs.
Total overheads	600,000
Total direct wages	480,000
Total indirect wages	16,000
Total direct material cost	300,000
Total indirect material cost	15,000
Wage rate per hour	4
Direct material cost per Kg	5

Direct material cost per Kg 120,000

The company received form the college payment amounting to Shs.20 million

Required

- (a) Prepare the contract account (b) Prepare the contractee account
- (c) Complete the contract profit to be taken to the company's profit and loss account

12. Define process costing and explain the main elements of process costs

13. Kampala bottlers produce Schweppes after the three distinct processes. The following information is obtained from the account for a period:

Items	Total	Processes		
		(i)	(ii)	(iii)
		Shs	Shs	Shs
Direct material	2,200	1800	300	100
Direct wages	400	100	200	100
Direct Expenses	500	300	-	200

Production overhead incurred is shs.800 and is recovered 200% off direct wages. Production during the period was 100kg.

There was no opening stocks or closing

Stocks Prepare process cost accounts.

14. What is meant by work in progress in the context of process costing?

15. Describe the following two methods of valuing work in progress

- (a) The FIFO method (b) The average cost method

16. ABC Ltd, produces a homogeneous product and the costs incurred for the month of March 1989 for process were as follows

Process 1	Shs
Materials	120,000
Labour	54,000
Overhead	102,000
	276,000

Units completed and transferred – 2400 units, work in progress as at 31st March, 1989-600 units. The production and costing departments estimated the state of completion of the units as follows:

(i) Fully completed – materials (ii) Half completed – labour (iii) Quarter completed - Overhead

There were no uncompleted units in progress at the beginning of the month.

Required:

(a) Calculate the transfer cost to process 2 and work in progress valuation at the end of the month

(b) Process 1 account in the cost ledger

17. Distinguish between marginal costing and absorption costing

18. Write short notes on the following

(a) Break even point (b) Contribution (c) contribution/sales ratio

19. The following information was obtained from the records of ABDC Ltd which manufactures one standard product.

Sales and expenses budget as at 31st May 1988

	Total (shs. '000)	Unit (shs)
Sales (120,000 units)	6,000	50
Production cost of sales	Shs.	Shs.
Variable	3,900	3250
Fixed cost	1,200	10,000
	5100	
	900	7.50
Administration and distribution costs (fixed)	600	5.00
Net profit	300	2.50

On 31st mat 1988, the following information was extracted from the records regarding the actual production and sales

	6 months to	6 months to
	Nov. 1987	May 1988
Production (units)		
Sales (units)	55,000	40,000
Stocks		
Opening (units)		7,000
Closing (units)	7,000	5,000

Required: Draft in columnal form, the semi annual Trading and profit and loss accounts for ABC Ltd under each of the following methods:

(i) Absorption costing using budgeted rates (ii) Marginal costing using budgeted rates

20. Define budget and discuss the advantages of a budget

21. Distinguish between fixed and flexible budgets.

22. A manufacturing company produces two products namely Q and P. Two types of material X and Y are used in manufacture of these products. The following information is provided by the company for the year 1989.

a) Budgeted sales

Product	Quantity	Price Shs.
Q	18,000	65
P	20,000	80

(b) Materials used

Material	X	Y
Unit cost	shs.6	shs.3
Quantity used		
Q	3	6
P	5	4

There were the following stocks

Finished product	Opening	Closing
Q	3,000	1,500
P	2,000	2,500
Material		
X	5,000	6,000
Y	4,000	3,000

Required: Prepare the following budgets

(a) Sales budget (b) Production budget (c) material usage in qty budget (d) Material purchases in qty & value

23. define standard costing, distinguishing it from budgetary control

24. (a) Discuss the various types of standards.

25. describe the main procedure involved in setting standards.

16. Explain (a) Material usage variance (b) Material price variance

(b) Wage efficiency variance (d) Wage rate variance and calculate

Each variance form the following and calculate

Actual hours worked	5000hours
Standard rate per hour	shs.10
Actual waged paid	shs.55,000
Standard hours allowed	shs. 4850 hours
Standard price per kg	shs . 2
Actual price per kg	shs.1.50
Actual output	20,000
Standard quantity allowed	18,000kg
Actual quantity used	15,000kg
Actual quantity purchased	16,500kg

DATA PROCESSING 131

ASSESSMENT:

For purpose of assessing and your progress, please answer the following questions as best as you can.

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QUESTIONS:

1. Out line the history of data processing.
2. Enumerate the various methods employed in data collection.
3. Distinguish between manual processing from mechanical processing.
4. What do you understand by electronic processing of data?
5. State and explain 4 devices used in storing data.
6. Describe the various techniques used by the computer in processing data
7. What role does data processing play in business organizations?

QUESTIONS

1. Define partnership. What are main distinctions between partnership and a limited company?
- 2) Explain the relations pf partnership to one another

- 3) Discuss the liabilities of incoming and out going partners.
- 4) Examine the extent to which a partner has implied authority to act on behalf of the firm.
- 5). Define and explain the nature of a hire purchase agreement.
- 6) How does a hire purchase agreement differ from (i) A credit sale agreement, and (ii) a conditional sale agreement?
- 7) What are the duties of a hire to the owner of goods on a contract of hire purchase?
- 8) What is meant by a negotiable instrument?
(a)List negotiable instruments.
- 9) Give a description of the essential characteristics of a Negotiable instrument I O Explain in relation to bills of exchange
- 10) What is meant by the following

A holder in due course	A bearer bill
A blank endorsement	Noting.
- 11) In the law of negotiable instruments, what is meant by
Holder in clue course
Qualified acceptance of a bill
Crossed cheque, and

TAXATION 901

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QUESTIONS

1. Discuss the necessity of levying taxes in Uganda
2. What is meant by incidence of a tax?
3. Distinguish between direct and indirect taxes giving examples in each case.
4. taxation is a big burden to citizens of a low- income country like Uganda. Do you agree or disagree? Justify your answer
5. With examples, examine the problems that are faced in tax collection by Uganda Revenue Authority.
6. "High rates of taxes on income and by profits reduce the rate of economic growth by discouraging individuals from working"
Examine whether this is true of Uganda's economy
7. Describe Uganda's tax structure
8. Distinguish with examples what is meant by incidence of tax and tax impact.
9. Discuss the principles of taxation in view of Uganda's tax system.
10. Identify the causes of taxation and show how their observation creates a conflict with requirements of an optimal tax system.

END

MERCANTILE LAW 862

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QUESTIONS:

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A holder in due course
A blank endorsement
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Qualified acceptance of a bill
Crossed cheque, and

END

PUBLIC FINANCE AND REGULATION. 441

ASSESSMENT

For purposes of assessing and monitoring your progress, please answer the following questions, as best as you can. You must hand in your work within a period of 3 weeks for marking and recording. The tutor concerned reserves the right to reject your work if there is reason to suspect **that someone** else has done it for you. You will be subjected to snap questions as you hand in; this is meant to confirm either the completed work is original to you.

EXERCISE

1. Write short notes on the following;
 - The allocation function of the public sector
 - The distribution function of the public sector
 - The stabilisation function
 - Coordination of the budget function.
2. (a) Explain the advantages and disadvantages of taxation in Uganda
 - (b) State the types of taxes you know
 - (c) Describe the doctrines of a good taxation system.
3. Identify the main objectives of the public sector in Uganda
4. Why do we study public finance? Justify
5. (a) What is a public debt and how may it be obtained?
 - (b) Explain the various methods of financing a public debt
6. (a) Distinguish between a fiscal and monetary policy
 - (b) How does the government use monetary policy to attain economic stability?