

**ADVANCED GCE**  
**ACCOUNTING**  
Management Accounting

**F014**

Candidates answer on the question paper.

**OCR supplied materials:**

- Resource booklet

**Other materials required:**

- A calculator may be used

**Monday 31 January 2011**  
**Morning**

**Duration: 2 hours**



Candidate forename		Candidate surname	
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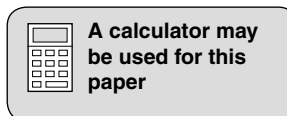
Centre number						Candidate number				
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**INSTRUCTIONS TO CANDIDATES**

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. Pencil may be used for diagrams only.
- The information required to answer questions 1–4 is contained within the resource booklet.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- You must show the calculations leading to your answers.
- Write your answer to each question in the space provided. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- Answer **all** the questions.
- Do **not** write in the bar codes.

**INFORMATION FOR CANDIDATES**

- The number of marks is given in brackets [ ] at the end of each question or part question.
- The total number of marks for this paper is **120**.
- The quality of your written communication will be taken into account when marking your answers to the two questions/sub-questions labelled with an asterisk (\*).
- In one of these questions, the focus will be on your ability to present numerical information legibly and in an appropriate accounting format. In the other, you will be assessed on the legibility and style of writing, the clarity and coherence of your arguments and the accuracy of your spelling, punctuation and grammar.
- This document consists of **16** pages. Any blank pages are indicated.







(b) A statement to show the maximum profit under Option 2. Show the contribution per unit for each product.

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**3 REQUIRED**

**(a) (i)** The standard cost for the total production in December 2010 **and** the standard cost per unit.

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**[3]**

**(ii)** The actual cost for the total production in December 2010 **and** the actual cost per unit.

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**[3]**

(b) Calculate each of the following variances:

(i) material price variances; .....  
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..... [4]

(ii) material usage variances; .....  
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..... [4]

(iii) labour rate variance; .....  
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..... [2]

(iv) labour efficiency variance; .....  
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..... [2]

(v) total variable overhead variances; .....  
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..... [1]

(vi) total fixed overhead variances. ....  
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..... [1]

(c) Explain how the material variances may have arisen.  
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**4 REQUIRED**

(a)\* A statement showing the gross profit for **each** of the three years under the FIFO basis of valuing issues, if the company used:

- the marginal costing approach to valuing stock;
- the absorption costing approach to valuing stock.

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