NOVEMBER 2012 EXAMINATION

DATE: 6 NOVEMBER 2012

TIME: 09H00 – 11H00    TOTAL: 100 MARKS
DURATION: 2 HOURS      PASS MARK: 40%

(KF-00)
FINANCIAL CONTROL

THIS EXAMINATION PAPER CONSISTS OF 2 SECTIONS:

SECTION A: CONSISTS OF 5 TRUE OR FALSE QUESTIONS
          ANSWER ALL THE QUESTIONS (10 MARKS)

SECTION B: CONSISTS OF 5 QUESTIONS
          ANSWER ALL THE QUESTIONS (90 MARKS)

INSTRUCTIONS:
1. Read the following instructions carefully before answering the paper, as failure to act upon them will result in a loss of marks.
2. Write your answers in your answer book, which is provided in the exam.
3. Ensure that your name and student number are clearly indicated on your answer book.
4. Write your answers in either blue or black ink in your answer book.
5. Read each question very carefully before you answer it and number your answers exactly as the questions are numbered.
6. Begin with the question for which you think you will get the best marks.
7. Note the mark allocations for each question – give enough facts to earn the marks allocated. Don't waste time by giving more information than required.
8. You are welcome to use diagrams to illustrate your answers.
9. Please write neatly – we cannot mark illegible handwriting.
10. Any student caught cheating will have his or her examination paper and notes confiscated. The College will take disciplinary measures to protect the integrity of these examinations.
11. If there is something wrong with or missing from your exam paper or your answer book, please inform your invigilator immediately. If you do not inform your invigilator about a problem, the College will not be able to rectify it afterwards, and your marks cannot be adjusted to allow for the problem.
12. This paper may be removed from the examination hall after the examination has taken place.

Examiner: R Pretorius
SECTION A (10 MARKS)

TRUE OR FALSE QUESTIONS

Indicate whether the following statements are true or false. Motivate all your answers.

1. Break-even point is reached when the difference between assets and liabilities are equal to zero.
2. Material cost can be divided into three classes.
3. A company will trail behind its competitors if it is not as competitive as it should be.
4. Direct material are the secondary supplies used in a product.
5. There are two kinds of labour. [5 × 2 = 10]
QUESTION 1
Various methods of control are applied during the production process, which is often met with obstacles. Answer the following:

(a) Explain what an operating budget is. (3)

(b) Explain what a financial budget is. List three examples of cash sources and three uses of cash. (8)

(c) Define a non-monetary budget, and list the elements which are used to express a non-monetary budget. (5)

(d) Zero-based budgeting is a budgeting system. List four other types of budgets that you know of. (4) [20]

QUESTION 2

(a) Explain the usefulness of a Gantt Chart to the supervisor. (4)

(b) Explain what 'results can be decoded' means. Why do workers find it necessary to decode their output results? (4)

(c) What are the consequences when standards are set unrealistically too high or too low? (2)

(d) Draw a flow diagram to illustrate the steps in the control process. (5)

(e) Briefly explain (in point form) what a managerial audit is. (5) [20]

QUESTION 3

(a) List the different areas into which the control of costs can be divided (7)

(b) List the questions to ask in order to isolate problems and determine the most pressing need in the quest to reduce cost. (6)

(c) List the details of the job that need to be listed when breaking down a job. (3)

(d) List the steps necessary when a new method is developed. (4) [20]
QUESTION 4

(a) Draw a 'Job Methods Breakdown' sheet. (10)

(b) Discuss the 'Question every detail' aspect after the job steps in improving the job have been listed. (10) [20]

QUESTION 5

(a) Identify the points that need to be considered if faults seem to stem from inadequate instructions. (5)

(b) List the points that need to be checked if manufacturing methods are causing scrap. (5) [10]

Section A: 10 marks
Section B: 90 marks
TOTAL: 100 MARKS