

# Tutorial letter 102/3/2015

## Principles of Management Accounting

### MAC2601

#### Semesters 1 and 2

#### Department of Management Accounting

**IMPORTANT INFORMATION:**

This tutorial letter contains errata and other important information regarding your module.

BAR CODE

## CONTENTS

1.	Introduction .....	2
2.	Importance of myUnisa .....	2
3.	Errata: study guides .....	3
4.	Errata: Tutorial Letter 101.....	5
5.	Other helpful information.....	5
6.	Annexure A.....	5

**NB: This tutorial letter must be read in conjunction with Tutorial letter 101/2015 and the study guides.**

## 1. INTRODUCTION

Dear Student

In spite of care taken to prepare study guides, assignments and suggested solutions that are understandable, comprehensive and free from errors, omissions and discrepancies may occur as indicated in your tutorial letter 101.

This tutorial letter (102) contains errata to the study guides and indicates where you can find errata to Tutorial Letter 101. It is in your own interest to make the necessary corrections to the study material.

Should you come across more such matters, or matters which are not clearly expressed, kindly let us know to enable us to effect the necessary corrections. Further corrections will be announced on myUnisa as they are discovered and you might receive more tutorial letters in this regard.

We apologise for any inconvenience caused.

We also include other information which may be helpful in the process of completing your assignments.

Kind regards,

Name	Telephone number	Office number	E-mail
JM Verster (Mrs)	012 429 4767	1-50	<a href="mailto:MAC2601-15-S1@unisa.ac.za">MAC2601-15-S1@unisa.ac.za</a>
M Ramaleba (Mr)	012 429 4334	1-47	(first semester only)
BM Ramokhele (Mr)	012 429 4624	1-61	<a href="mailto:MAC2601-15-S2@unisa.ac.za">MAC2601-15-S2@unisa.ac.za</a>
N Dumalisile (Mrs)	012 429 4437	1-35	(second semester only)

Any changes in lecturers' details will be communicated via myUnisa.

MAC2601 Lecturers

## 2. IMPORTANCE OF MYUNISA

As mentioned in Tutorial Letter 101/2015, myUnisa forms an integral part of this module and you will therefore have to visit myUnisa on a frequent basis to ensure you keep up to date with the latest MAC2601 announcements, important dates, Tutorial Letters (Tutorial Letters are sometimes available on myUnisa even before you receive them in the post), etcetera.

### 3. ERRATA: STUDY GUIDES

Please remember that this may not be a comprehensive list of errata. As we have already indicated, any additions will be added to myUnisa as new announcements/updates to existing announcements as they are discovered. You might receive another tutorial letter with errata as well.

Guide number	Page number	Correction
1	19	In the answer to (e), the R28 000 that is included in the Rand column is correct, but the calculation of this (R28 000 x 30%) is a typing error. It should have been R28 000 x 100%.
1	23	The paragraph above the graph refers to the scatter diagram on "the next page", whereas the diagram is on the same page, just below the paragraph. Please move B slightly to the right so that it stands next to the line that goes through A, T and E. A more accurate graph can be found in Annexure A to this tutorial letter. Also, in the second numbered list on this page, remove the following words: "..., which seem to be approximately R206 in semi-variable overheads".
1	24, 25	Formula 1 should read as follows (the <sup>2</sup> at the end of the formula was left out on both pages): $\Sigma xy = a\Sigma x + b\Sigma x^2$
1	26	Close to the top of the page, we mention "In doing this in equation, we obtain...". Insert ④ before "equation", as we are actually referring to equation four.
1	27	Please change the words "Plant depreciation" to "Production plant insurance" to correspond with the information that was given. Under b (i) maintenance there, please put a space between x and "represents". Under b (ii) please insert a division sign to divide the R24 000 by 8 000 units (/ or ÷)
1	30	Column total for $x^2$ has to show $\Sigma x^2 = 198\ 407$ and not $b\Sigma x = 198\ 407$ . Therefore, please remove the "b" from the column total and add the <sup>2</sup> to the $\Sigma x$ . The equation $R24\ 780 = 12a + 1\ 541b$ should be numbered ②. Fixed portion: please put the rand sign before fixed costs. It should be R868 824 per month.
1	35	Activity 3.1a: Answer should be 1 500 units and not 500 units or R500 units (30 000 / 20 or 75 000 / 50 = 1500).
1	53	Close to the bottom of the page: Below the line (denominator) should be R5,245 instead of R5,45.
1	55	Breakeven units should be numbered d.i. and margin of safety d.ii.
1	56	Breakeven point is = 9 786 units (R685 000/R70 per unit). Margin of safety % is = 11,04% (11 000-9 786)/11 000.
1	69	Order quantity on column 2 should be 150 (2400/150 = 16 number of orders).
1	83	The "border" around other deductions should be around 160,20; 9,50 and 48,00. The R217,70 is the total of these three amounts (= other deductions).
1	95	Remove the words "and treats these as indirect costs" from the first sentence on this page.
1	96	Part c of the solution: In the calculation of WIP, "R60 0000" should be replaced by R60 000 (remove one zero). The total for manufacturing overheads should be R5 400, calculated as follows: R20 000 * 16% = R3 200; R3 200 + R2 000 + R200 = R5 400. The total for the journal should therefore amount to R27 000.

Guide number	Page number	Correction
1	97	Note ② refers to the total direct labour cost per year in the second table on the page (column 1).
1	100	The second last sentence on the page should end with $16\,500 \div 22$ and not with $16\,000 \div 22$ .
1	103	Add the following to the final sentence on this page: "(before clearing it to cost of sales)."
1	132	Add the word "product" to the descriptions of the R27,70 and the R80,00 respectively (so that they will read "Total variable product costs per unit" and "Fixed product costs" respectively).
1	163 – 164	Please make the following changes: 1. Variable cost of sales page 163 should be R1 940 400 and not R1 942 957. The contribution of R2 959 600 and the net profit before tax of R2 371 600 are correct. 2. Manufacturing cost of sales page 164 should be R1 849 082 and not R1 852 261. The contribution of R3 050 918 and the net profit before tax of R2 406 918 are correct. 3. "Opening inventory from (a)" (page 164) should read "Opening inventory from activity 9.2(b)".
1	173	R2 171 500 should stand in line with "-variable (increased by R3 per unit from April 20x1 figures)" and not next to Production costs: move the amount one line down.
1	199	Number of inspections for "Dirty" should be calculated as $350 / 25$ (the answer of 14 is correct).
1	216	The calculation of total (actual) overheads of R20 500 should not have been done in the table: it is a separate calculation. The applied overheads of R18 500 (please remove the brackets) is added to WIP, direct materials and direct labour to arrive at the total of R106 800. The difference of R2 000 (R20 500 – R18 500) is underapplied overheads and you will see in part b (journal entry) how this difference should be treated in this question – it will be an adjustment to cost of sales and ultimately affect gross profit in this question. So your gross profit of R17 400 in total will actually also have to be adjusted by R2 000 (to R15 400 – a debit to cost of sales will lead to a decrease in gross profit). You will learn much more detail about dealing with over or underapplied overheads under specific circumstances in your postgraduate studies. It will be aligned with the requirements of IAS2.
1	217	Insert a division sign (/ or ÷) to divide 1 600 by 200 in calculation ③.
1	271	In explanatory note 3, change the <b>second occurrence</b> of the < to > (i.e. closing WIP% > WP% → keep).
1	292	In activity 18.1, you should refer to the example on the previous page instead of to the Self-assessment Activity of study unit 17.
1	296	Remove note ②.
1	306	The three occurrences of the amount R99 435 in the WIP account should all be changed to R99 345 and both the totals to R129 345.
1	329	The final sentence in section 6.1 should start with "The assumption <b>that</b> was made..." (i.e. make a new sentence of the final 1,5 lines of the paragraph).
1	346	Insert a minus sign ("-") between the "R2)" and the "R10" in the first debit entry on this page.
1	351	Insert a minus sign ("-") between the "11 250" and the "10 250" in calculation ④.
1	353	Change the R429 445 in column c to R426 570. This is calculated as R470 445 less R43 875.
1	356	"Sales" and "Less: Cost of sales" should align with the first and second rows of amounts in the table respectively.

#### 4. ERRATA: TUTORIAL LETTER 101

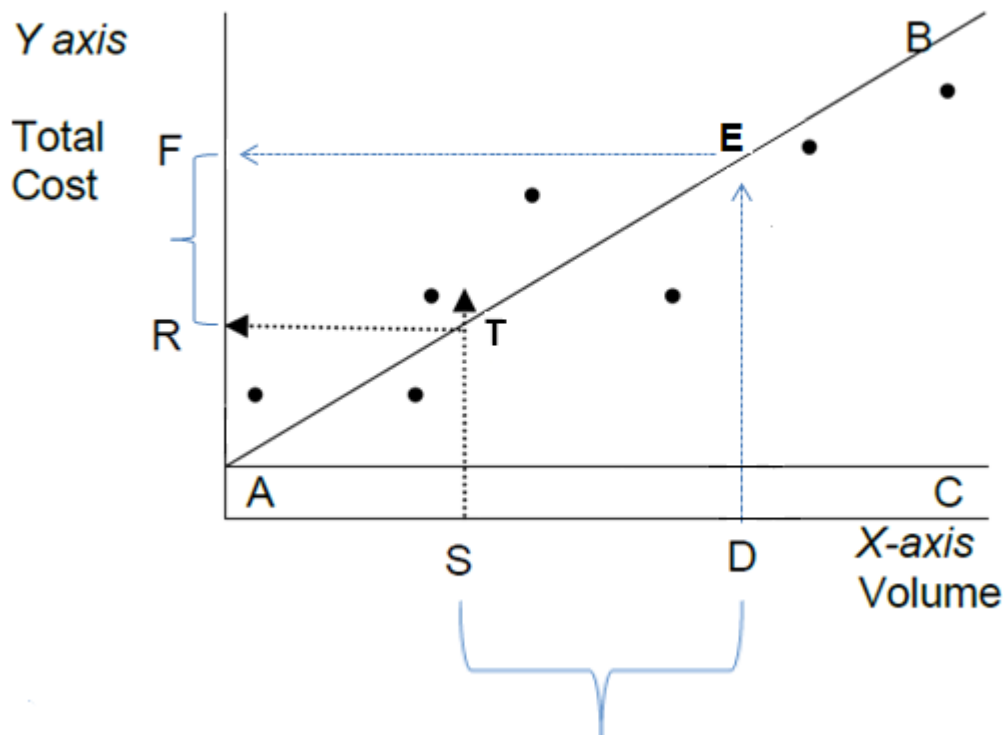
Please note that any corrections to Tutorial Letter 101 will be communicated via myUnisa as they are discovered. You need to visit myUnisa on a regular basis, including before you attempt and submit your assignments. You might receive another tutorial letter with errata as well.

#### 5. OTHER HELPFUL INFORMATION

The MAC2601 lecturers post helpful advice on myUnisa under the *Announcements* section. Remember to visit myUnisa frequently for helpful hints and principles regarding the module.

#### 6. ANNEXURE A

##### 6.1 More accurate graph for study guide 1, page 23



© UNISA 2014. All rights reserved. No part of this document may be reproduced or transmitted in any form or by any means without prior written permission of Unisa.