



Free Questions for CMAPRA17-BA2-1 by actualtestdumps

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Question 1

Question Type: MultipleChoice

A manufacturing company has four production departments. Overheads have been apportioned between them as follows:

Department	Overheads (£)
A	12,000
B	13,000
C	9,000
D	11,00

It takes each department 4 hours, 4 hours, 2 hours and 3 hours respectively to produce the company's only product. The company recovers costs on the basis of labour hours. They plan to produce 6,000 units

What will the overhead absorption rate per unit be in 's?

Select the correct answer from the choices below

Options:

A- 7.50

B- 7.90

C- 7JO

D- 8.00

Answer:

A

Question 2

Question Type: MultipleChoice

Put simply, the role of the management accountant it to_____.

Options:

A- assess internal information and analyse how it can be used to improve performance in the future.

B- assess internal information to ensure the company is complying with financial and accountancy regulations.

C- record and organises last year's transactions and produce financial statements for shareholders.

Answer:

A

Question 3

Question Type: MultipleChoice

Which of the following entries to record the direct and indirect labour costs in the month are correct?

			£	£
A	Dr	Work in progress control account	81,760	
	Dr	Production overhead control account	55,870	
	Cr	Wages control account		137,630
B	Dr	Work in progress control account	81,760	
	Dr	Production overhead control account	42,080	
	Cr	Wages control account		123,840
C	Dr	Work in progress control account	65,160	
	Dr	Production overhead control account	72,470	
	Cr	Wages control account		137,630
D	Dr	Wages control account	123,804	
	Cr	Work in progress control account		81,760
	Cr	Production overhead control account		42,080

The correct entry is

Options:

A- A

B- B

C- C

D- D

Answer:

C

Question 4

Question Type: MultipleChoice

Refer to the exhibit.

Date:	Quantity (litres)	Value (£)
30 November	200	500

Options:

A- Fabex Ltd. manufactures a household detergent called 'Clear'. The standard data for one of the chemicals used in production (chemical XTC) is as follows:

- (a) 50 litres used per 100 litres of 'Clear' produced
- (b) Budgeted monthly production is 1000 litres of 'Clear'.

The closing inventory of chemical XTC for November valued at standard price was as follows:

Actual results for the period during December were as follows:

- (a) 500 litres of chemical XTC was purchased for 1300.
- (b) 550 litres of chemical XTC was used.
- (c) 900 litres of 'Clear' was produced.

It is company policy to extract the material price variance at the time of purchase.

What is the total direct material usage variance (to the nearest whole number)?

- A-** 250 adverse
- B-** 250 favourable
- C-** 260 adverse
- D-** 260 favourable

Answer:

A, A

Question 5

Question Type: CorrectText

Refer to the exhibit.

Data for July:	Quantity
Opening work in progress	Nil
Input material	1,000 kg @ £8 per kg
Labour costs	£2,400
Overhead costs	£5,520
Outputs	Finished Goods 800 kg Closing work in progress 200 kg

The following data refers to a manufacturing process for the month of July:

The work in progress is completed as follows:

- (a) 100% for material
- (b) 80% for labour
- (c) 60% for overhead

The value of the work in progress is:

Answer:

Question 6

Question Type: MultipleChoice

Refer to the exhibit.

Raw materials:	
Opening inventory	32,000 kg
Closing inventory	12,000 kg
Finished units of Sentra:	
Opening inventory	5,000
Closing inventory	8,000
Budgeted sales of Sentra:	126,000 units

The budget for product Sentra for the month of August is given below:

Each unit of Sentra requires 4kg of raw materials.

The raw materials usage budget for the month of August is:

Options:

A- 504,000 kg

B- 516,000 kg

C- 492,000 kg

D- 496,000 kg

Answer:

B

Question 7

Question Type: CorrectText

Refer to the exhibit.

	\$	
Budgeted contribution	8,400	
Sales volume contribution variance	1,680	Adverse
Standard contribution on actual sales	6,720	
Sales price variance	8,000	Adverse
	(1,280)	
Material, labour and overhead variance	4,950	Favourable
Actual contribution	3,670	

RS operates a standard absorption costing system. The following data is available for the month of March.

The sales budget for the month of March was for 3,000 units to be sold giving sales revenue of \$40,000.

The actual sales volume is

Answer:

Question 8

Question Type: MultipleChoice

Refer to the exhibit.

Initial investment	\$60,000
Life of machine	3 years
Resale value after three years	\$3,000
Annual depreciation	\$19,000
Annual machine running costs	\$40,800
Annual labour cost savings	\$90,500

A proposal to purchase a new packing machine contains the following estimates.

In addition it is estimated that a supervisor who is currently paid a salary of \$30,000 will spend 5% of their time overseeing the operation of this machine.

The cost of capital is 16%.

The net present value (NPV) for the investment in the machine is closest to

Options:

A- \$10,876

B- \$50,181

C- \$51,627

D- \$53,550

Answer:

D

Question 9

Question Type: MultipleChoice

In a manufacturing company which produces a range of products, the wages of a machine operator in the factory would be classified as a:

Options:

A- Direct labor cost

B- Indirect labor cost

C- Direct expense

D- Indirect expense

Answer:

A

Question 10

Question Type: MultipleChoice

A company has produced its cash budget for the year and is concerned at the level of the cash deficit being shown. Which THREE of the following would enable the company to reduce its cash deficit in the short term?

Options:

- A- Reduce inventory level of finished goods
- B- Increase receivable levels to encourage sales
- C- Purchase new non-current assets to increase productivity levels
- D- Increase the overdraft facility
- E- Take longer to pay suppliers
- F- Lease rather than purchase new non-current assets

Answer:

A, E, F

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