Candidate 1 evidence

18/20

Inventory Record Card for Material K ✓

Date	Details	Receipts Qty	CPU	£	Issues Qty	CPU	£	Balance Qty	CPU	£	
01-Jan	Opening							300	7·40	2140	
03-Jan	Purchase	200	7·25	1450				500	7·16	3550	
06-Jan	Issue				300	7·16	2130	200	7·16	1420	
11-Jan	Purchase	200	7·50	1500				400	7·30	2920	
16-Jan	Issue				250	7·30	1825	150	7·30	1095	
25-Jan	Return				100	7·50	750	50	6·9	345	

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ii) It is quick simple and easy to use and allows for an overview of the Month to be taken from a glance.

It only covers the span of a month typically and doesn't show anything that is going on in the business other than stock levels and values.

½

b) Process 3 Account ✓

Details	Input Qty	CPU	£	Output Qty	CPU	£	Balance Qty	CPU	£	
Process 2	1000	£10·00	10000				1000	£10·00	10000	
Material Y	2000	£6·00	12000				3000		22000	
Labour			5000 ✓				3000		27000	
Fixed O			2700				3000		29700	
Variable C			2000				3000		31700	
Normal Loss				150	£5·00	750	2850		30950	
Closing WIP				600		7550	2850	£10·40	23400	
Transfer X				2200	£10·40	22880	50	£10·40	520	
Abnormal Loss				50	£10·40	520	0	60·00	0	

2

8/8

Abnormal Loss Account ✓

bii) Details	Input			Output			Balance		
	Qty	CPU	£	Qty	CPU	£	Qty	CPU	£
Process 3	50	£10·40	520				50	£10·40	520
Cash+Cash equiv				50	65·00	250	0		270
Income Statement						270	0	0·00	0
HNL	0								

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Candidate 2 evidence

11/20

QUESTION 3

Inventory record card for Material K in January ✓

AVCO

Date	Details	Input Units	CPU	Total	Output Units	CPU	Total	Balance Units	CPU	Total	
01-Jan	Balance							300	7	2100	O
03-Jan	Purchases	200	7.25	1450				500	7.1	3550	I
06-Jan	Receipts				300	7.1	2130	200	7.1	1420	O
11-Jan	Purchases	200	7.5	1500				400	7.3	2920	I
16-Jan	Receipts				250	7.3	1825	150	7.3	1095	I
25-Jan	Returns				100	7.5	750	50	6.9	345	I

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A)ii)	One advantage to using AVCO is that its easy to calculate, One disadvantage to using AVCO is that the average CPU calculated could mean you don't get paid what the material is worth. O

0/2

Process account for Process 3 in January ✓

Process 3

Details	Input Units	CPU	Total	Output Units	CPU	Total	Balance Units	CPU	Total	
From Process 2	1000	10	10000				1000	10	10000	I
Material Y	2000	6	12000				3000	7.3	22000	I
Labour			5000				3000	9.0	27000	✓
Fixed overheads			2700				3000	9.9	29700	I
Variable overheads			2000				3000	10.6	31700	I
Closing WIP				600		7550	2400	10.1	24150	I
Normal loss				120	5	600	2280	10.3	23550	O
Transfer to stores				2200		O	80			
Abnormal loss				80	O 5	400				

5/8

Abnormal loss account for Process 3 in January ✓

Process 3

Details	Input Units	CPU	Total	Output Units	CPU	Total	Balance Units	CPU	Total
From Process 3	80	5	400	Ic			80	5	400

HNL I

2/4