



Subject-Accounting

Grade-13

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Competency 14.0 – Evaluation of Basic Concepts of Management Accounting.

Competency Level 14.3 – Uses process of Material Control.

1. State the purpose, department who issues or receive for each of the following source documents.

Source document	Issued by	Received by	Purpose
<ul style="list-style-type: none">• Stores requisition note• Goods requisition note• Quotations• Purchase order• Delivery note• Goods received note			

2. Recommended methods used in issuing prices of materials.

- (i)
- (ii)

3. Following details are related to material

- Monthly stock consumption 500 units
- Price per unit Rs. 80
- Cost per order Rs. 60
- Holding cost is 10% of material cost per unit.

1. Calculate Economic order quantity

2. Number of orders per year

- Maximum consumption – 300 units per day
- Average consumption – 200 units per day
- Re order period – average of 20 days, minimum 10 days
- Re order quantity – 3 000 units

Calculate,

- 1.) Re order level
- 2.) Maximum stock level
- 3.) Minimum stock level
- 4.) Average stock level

