



<b>FACULTY/COLLEGE</b>	College of Business and Economics
<b>SCHOOL</b>	Johannesburg Business School
<b>DEPARTMENT</b>	Transport and Supply Chain Management
<b>CAMPUS(ES)</b>	APK
<b>MODULE NAME</b>	Road Transport Costing and Distribution
<b>MODULE CODE</b>	TRE8X10
<b>SEMESTER</b>	Second
<b>ASSESSMENT OPPORTUNITY MONTH AND YEAR</b>	Supplementary Summative Assessment Opportunity January 2020

<b>ASSESSMENT DATE</b>	January 2020	<b>SESSION</b>	
<b>ASSESSOR(S)</b>	Prof. G.C. Prinsloo		
<b>MODERATOR(S)</b>	Mr JA van Rensburg		
<b>DURATION</b>	3 hours (180 min)	<b>TOTAL MARKS</b>	180

<b>NUMBER OF PAGES OF QUESTION PAPER (Including cover page)</b>	4
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**INFORMATION/INSTRUCTIONS:**

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- Answer all questions
- Question papers must be handed in.
- This is a closed-book assessment.
- Read the questions carefully and answer only what is asked.
- Number your answers clearly and correctly as per the question paper.
- Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.

**QUESTION 1**

**(10 Marks)**

List sequentially and complete the "Vehicle Concepts" description where required in your examination script. (NOT ON QUESTION PAPER). See page 3 of this examination paper.

**QUESTION 2**

**(40 Marks)**

Complete the attached "Vehicles Cost Schedule" **(The use of calculators is permitted)**.

See page 4 of this examination paper.

Complete on question paper (remember to mark with Student number).

**QUESTION 3**

**(10 Marks)**

Give formulae description for the following cost concepts:

- a) CPK Cost of Capital
- b) Insurance cost
- c) Administration overheads
- d) Percentage Fuel of Total Variable cost
- e) Lubricants cost
- f) CPK maintenance
- g) CPK tyres
- h) Percentage depreciation of Total Annual cost
- i) Fixed cost per day
- j) Overhead cost operational

**QUESTION 4**

**(30 Marks)**

In the process of managing a Road Transport Enterprise the management normally utilises two different sets of accounting information to steer the organisation. Illustrate how you will apply this statement in a Road Transport Enterprise of your choice with due attention to:

- a) The users of the information.
- b) The differences encountered between the two kinds of accounting information.

**QUESTION 5**

**(20 Marks)**

Knowledge of costs remain important for the managing of a Transport enterprise.

Analyse the two-stage allocation process for a Traditional costing system.

**QUESTION 6**

**(25 Marks)**

Specific analysis of costs and returns form the backbone of financial decision taking in an enterprise. You are required to analyse:

- a. Opportunity cost of an investment
- b. Compounding and discounting
- c. The Internal Rate of Return

**QUESTION 7**

**(20 Marks)**


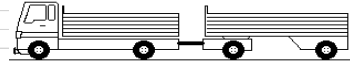
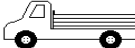
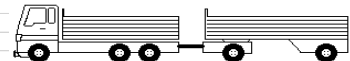

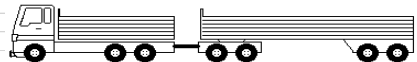




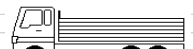


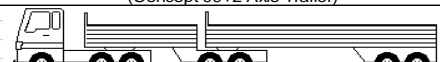
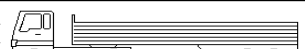

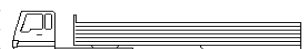
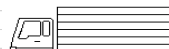
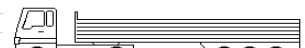
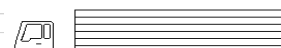
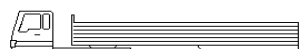
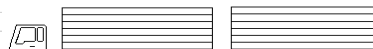
Analyse the effect of Taxation and inflation on Investment decisions.

**QUESTION 8**

**(25 Marks)**

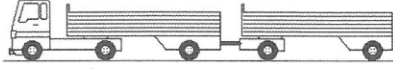
Analyse the stages of the process for initiating, authorising and review of projects.

## ADDENDUM - QUESTION 1

VEHICLE CONCEPTS				Page C1			
01	 (2400 kg or Less)	Permissible Unladen PAYLOAD up to	2 400 1 400 1 000	12	 (4x2 Rigid+2 Axle Trailer)	Permissible Unladen PAYLOAD up to	28 000 11 400 16 600
02	 (2400 to 5000 kg)	Permissible Unladen PAYLOAD up to	5 000 2 680 2 320	13	 (6x4 Rigid+2 Axle Trailer)	Permissible Unladen PAYLOAD up to	43 000 15 780 27 220
03	 (5001 to 7500 kg)	Permissible Unladen PAYLOAD up to	7 000 3 100 3 900	14	 (6x4 Rigid+4 Axle Trailer)	Permissible Unladen PAYLOAD up to	55 200 19 680 35 520
04	 (7501 to 10000 kg)	Permissible Unladen PAYLOAD up to	10 000 4 210 5 790	15	 (Doubles Combination)	Permissible Unladen PAYLOAD up to	43 000 17 150 25 850
05	 (7501 to 10000 kg)	Permissible Unladen PAYLOAD up to	13 700 5 610 8 090	16	 (Concept 08+2 Axle Trailer)	Permissible Unladen PAYLOAD up to	44 000 19 550 24 450
06	 (7501 to 10000 kg)	Permissible Unladen PAYLOAD up to	24 000 8 660 15 340	17	 (Concept 09+2 Axle Trailer)	Permissible Unladen PAYLOAD up to	56 000 21 730 34 270
07	 (4x2 TT+Single Axle ST)	Permissible Unladen PAYLOAD up to	25 000 10 720 14 280	18	 (6x4 TT+Tandem/Tandem ST)	Permissible Unladen PAYLOAD up to	56 000 22 125 33 875
08	 (4x2 TT+Tandem Axle ST)	Permissible Unladen PAYLOAD up to	34 000 14 440 19 560	19	 (6x4 TT+Tridem/Tandem ST)	Permissible Unladen PAYLOAD up to	56 000 23 180 32 820
09	 (6x4 TT+Tandem Axle ST)	Permissible Unladen PAYLOAD up to	43 000 16 250 26 750	20 PMA	 4x2 Rigid	Permissible Unladen PAYLOAD up to	13 700 5 390 8 310
10	 (4x2 TT+Tridem Axle ST)	Permissible Unladen PAYLOAD up to	40 000 15 420 24 580	21 PMA	 Four Axle Artic (4x2 TT+Tandem Axle ST)	Permissible Unladen PAYLOAD up to	34 000 13 650 20 350
11	 (6x4 TT+Tridem Axle ST)	Permissible Unladen PAYLOAD up to	49 500 17 520 31 980	22 PMA	 (Doubles Combination)	Permissible Unladen PAYLOAD up to	43 000 18 350 24 650

## ADDEDNDUM - QUESTION 2

## 15 RFA VEHICLE COST SCHEDULE Edition 59

<b>Concept - 15</b> <b>Five Axle Combination</b> <b>Doubles Combination</b> <b>DROPSIDE Body</b> 					<b>ASSUMPTIONS : Concept - 15</b> <b>Five Axle Combination Doubles Combination</b> <b>DROPSIDE Body</b> <div>Apr-19</div>				
<b>ANNUAL FIXED (STANDING) COSTS</b>					<b>PRIME MOVER OR RIGID</b>				
Cost of Capital (Finance)	R	cpk	%	%	Cost Price (excl VAT)	R	1,098,900		
Depreciation	104,577				Residual Value	%	25.0%		
Insurance	201,085			7.2%	Finance - Cost of Capital (Interest)	%	10.3%		
On Vehicle Staff	658,678	598.8	48.5%	23.6%	- or Monthly Repayment	R	0		
Overheads - Administration					Depreciation - Distance km	0 or Time	5.0		
Overheads - Operational					Insurance (% of Cost Price)	%	7.5%		
Licence	23,280				Tare	7,550 kg Licence	R	12,132	
Other	0	0.0	0.0%	0.0%	Number of Steering Axle(s)		no	1	
TOTAL ANNUAL FIXED COSTS	1,357,736	1,234.3	100.0%		Number of Tyres (excl spare)		no	6	
<b>VARIABLE (RUNNING) COSTS</b>					Tyre Size		-	315/80R22.5	
Fuel	803,175	730.2	56.2%	28.8%	Tyre Price - New Tyre (excl VAT)		R	24,130	
Lubricants					- Retread (excl VAT)		R	3,359	
Maintenance	356,499				New Tyre Life - Front & Rear	80,000	km	100,000	
Tyres	250,327				Retread Tyre Life - Front & Rear	80,000	km	100,000	
Other	0	0.0	0.0%	0.0%	Number of Retreads - Front & Rear	0.0	no	2.0	
TOTAL VARIABLE COSTS	1,430,080	1,300.1	100.0%	51.3%	<b>TRAILERS OR SEMI TRAILERS</b>				
TOTAL ANNUAL COSTS	2,787,816	2,534.4	---	100.0%	Cost Price (excl VAT) (1st + 2nd Trailer)	R	941,631		
					Residual Value	%	0.0%		
					Finance - Cost of Capital (Interest)	%	10.3%		
					- or Monthly Repayment	R	0		
					Depreciation - Time	Yrs	10.0		
					Insurance (% of Cost Price)	%	5.0%		
					Tare - First Trailer	4,350 kg Licence	R	4,920	
					Tare - Second Trailer	5,250 kg Licence	R	6,228	
					Number of Axle(s)		no	3	
					Number of Tyres (excl spares)		no	12	
					Tyre Size		-	315/80R22.5	
					Tyre Price - New Tyre (excl VAT)		R	24,130	
					- Retread (excl VAT)		R	3,052	
					New tyre life		km	120,000	
					Retread tyre life		km	120,000	
					Number of Retreads		no	2.0	
					<b>ON VEHICLE STAFF</b>				
					Drivers - No & Monthly Cost	no	1	R	38,904
					Assistants - No & Monthly Cost	no	1	R	15,986
					<b>ANNUAL FIXED OVERHEADS</b>				
					Administration		R	144,370	
					Operational		R	96,247	
					Other Fixed Standing Costs		R	0	
					<b>VARIABLE COSTS</b>				
					Fuel Consumption	Litre / 100 km		49.0	
					Fuel Price	Cent / Litre		1,490.1	
					Lubricants (as % of fuel cost)	%		2.5%	
					Maintenance	cpk		324.1	
					Other Variable Running Costs	cpk		0.0	
					<b>UTILISATION</b>				
					Annual Kilometres		km	110,000	
					Payload Utilisation & Annual Laden km	%	70.0%	%	75.0%
					Days Worked per Annum		days	245	
					Chargeable Hours per Work Day		hrs	12.0	

Average payload 25.9 Ton