



UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

FINAL EXAMINATION JULY 2024 SEMESTER

COURSE CODE	: EIB30503
COURSE NAME	: MANAGEMENT ACCOUNTING
PROGRAMME NAME	: BACHELOR OF BUSINESS ADMINISTRATION (HONS)
DATE	: 23 SEPTEMBER 2024
TIME	: 9.00 AM – 12.00 PM
DURATION	: 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please **CAREFULLY** read the instructions given in the question paper.
2. This question paper has information printed on both sides of the paper.
3. This question paper consists of **FIVE (5)** questions.
4. Answer **ALL** questions.
5. Please write your answers on the answer booklet provided.
6. All questions must be answered in **English** (any other language is not allowed).
7. This question paper must not be removed from the examination hall.

THERE ARE SIX (6) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

(Total: 100 marks)**INSTRUCTION: Answer ALL questions.****Please use the answer booklet provided.****Question 1**

Below is a cost information related to the production activities of Mega Manufacturing Sdn. Bhd. for the first quarter of 2024:

Cost	RM
Wood used in manufacturing	50,000
Promotion and advertising	10,000
Salaries of plant manager	6,000
Telephone bills	3,000
Wages of production workers	40,000
Depreciation on plant and machinery	9,000
Leasing charges for cars	15,000
Commission for salesmen	7,000
Electricity expenses	5,000
Office rental	10,000

Required:

(a) Calculate the following costs by listing the details of the item:

i. Total variable cost.

(4 marks)

ii. Total mixed cost.

(3 marks)

iii. Total fixed cost.

(6 marks)

- (b) Based on your understanding, discuss the period cost and based on the above cost incurred by Mega Manufacturing Sdn. Bhd., list **FIVE (5)** examples of period cost.

(7 marks)

[20 marks]

Question 2

Shiny Pearl sells hair accessories such as hair pins which are bought from a supplier nationwide. The following transactions are the information relating to the purchase and issuance of hair pins for the month of May 2024.

Date May	Transactions	Value (RM)
1	Opening stocks of 5,000 units at RM 5.00 each	25,000
3	Sold 1,600 units at RM 10.00	16,000
5	Purchased 3,800 units at RM 5.20	10,400
10	Sold 5,000 units at RM 10.00	50,000
13	Purchased 1,500 units at RM 5.50 each	8,250
16	Returned 200 units of damaged goods to the suppliers which were purchased on 13 May 2024	
19	Sold 2,000 units at RM 10.00 each	20,000
28	Purchased 1,000 units at RM 5.90	5,900

On 31 May 2024, the stocktaking shows a balance of 2,300 units.

Required:

- (a) Show how the above transactions are recorded in the Store Ledger Card using Last in First out (LIFO) method.

(19 marks)

- (b) State the closing stock value and the cost of sales value.

(1 mark)

[20 marks]

Question 3

Happy Restaurant specialises in two products which are Mini Chicken Chop and Mini Lamb Chop. The customers are mainly working adult at Bandar Setia Mas.

	Mini Chicken Chop (MCC)	Mini Lamb Chop (MLC)
Selling price per plate	RM 4.00	RM 5.00
Variable cost per plate	RM 2.00	RM 3.00
Number of plates sold (Annually)	60,000 plates	40,000 plates

The annual fixed cost is RM 135,000

Required:

- (a) Determine the break-even point in units and value for Mini Chicken Chop and Mini Lamb Chop.
(3 marks)
- (b) Determine the annual income for Happy Restaurant.
(6 marks)
- (c) Mr Ahmad Albab request to buy 30,000 plates of Mini Chicken Chop and 15,000 plates of Mini Lamb Chop. Determine the contribution margin for Happy Restaurant if it accept the offer.
(5 marks)
- (d) Cost Volume Profits Analysis (CVP Analysis) is a systematic method to examine the relationship between changes in activity (output) and changes in total sales revenue, expenses and net profit. Discuss.
(6 marks)

[20 marks]

Question 4

Masz Trading manufactures customised souvenirs for any special occasion. During the month, the company received two orders for customised VVIP souvenirs at 1,000 units (Job No.74) and for respective guests at 1,500 units (Job No.75). The following details relate to the jobs:

	Job No.74	Job No.75
Direct Material:		
Received from warehouse	RM 10,000	RM 3,000
Transfer from the other job	RM 5,000	RM 1,000
Direct Labour:		
Machining Department	RM 4,000	RM 2,000
Packaging Department	RM 2,000	RM 1,500
Overhead absorption rate:		
Machining department	RM 1.00 per machine hour	RM 0.80 per machine hour
Packaging department	RM 0.50 per machine hour	RM 0.40 per machine hour
Machine Hours:		
Machining department	800 hours	900 hours
Packaging department	500 hours	600 hours

Additional information:

To complete job order No. 74, the company needs to incur a rental for a special machine at RM 1,500. The administrative cost is to be absorbed at 10% of the production cost. The profit margin is 20%

Required:

- (a) Prepare the job cost sheet for Job No.74 and Job No.75. Determine the total cost and profit for both products.

(16 marks)

- (b) Compute the cost of the product per unit for Job No.74 and Job No.75.

(4 marks)

[20 marks]

Question 5

Mona Bhd plans to manufacture a new product next month. From the market research, the budgeted average monthly sales and production volumes are 30,000 units.

Budgeted cost per unit of a product based on the average monthly production volume is as follows:

	RM
Direct material	110
Direct labour	48
Factory overhead	<u>66</u>
Factory cost	224
Selling and administration overhead	<u>96</u>
Total cost	<u>320</u>

Additional Information:

- i. Selling price per unit is RM 400.
- ii. Details of the factory overhead together with selling and administration overhead are as follows:

Variable factory overhead	RM 24
Variable selling and administration overhead	RM 40

- iii. Fixed selling and administration overhead is to be treated as period cost in the monthly income statement.
- iv. The actual production for the first month is 37,200 units but only 26,800 units are expected to be sold.

Required:

(a) Prepare the income statement for the first month by using marginal costing approach.
(16 marks)

(b) Differentiate between absorption costing approach and marginal costing approach.
(4 marks)

[20 marks]

END OF EXAMINATION PAPER