



UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

FINAL EXAMINATION MARCH 2024 SEMESTER

COURSE CODE	: EAB10603
COURSE NAME	: MANAGEMENT ACCOUNTING 1
PROGRAMME NAME	: BACHELOR IN ACCOUNTING (HONS)
DATE	: 5 JULY 2024
TIME	: 09.00 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

- (a) Briefly explain the similarities between financial accounting and cost and management accounting in terms of the following criteria:

- i. Performance evaluation
- ii. Principles of stewardship
- iii. Record keeping
- iv. Accounting system

(8 marks)

- (b) Management accounting covers any financial analysis that provides useful information about business operations. It generally concerns with internal data, or numbers that has been collected in the course of operations that reflect the ways of company has been earning and spending money.

Based on the statement above, explain any **FOUR (4)** characteristics of useful managerial accounting information in organizations.

(8 marks)

- (c) Classify the following cost based on their function:

- i. Audit fees
- ii. Discount allowed
- iii. Production overhead
- iv. Advertising costs

(4 marks)

[20 marks]

Question 2

Febrezee Manufacturing produces sweaters. It operates two production departments; Machining and Assembly; and two service departments; Maintenance and Store.

The following information relates to the month of February 2024:

	Production Departments		Service Departments		Total
	Machining	Assembly	Maintenance	Store	
Allocated cost (RM)	30,000	20,000	4,000	3,000	57,000
Floor Area (sq meter)	5,000	3,000	1,000	1,000	10,000
No. of employees	10	30	5	5	50
Maintenance hours	140	60	-	-	200
No of material requisition	120	80	-	-	200
Cost of equipment (RM)	400,000	500,000	80,000	20,000	1,000,000
Machine hours	1,000	500	-	-	1,500
Direct labour hours	800	2,200	-	-	3,000

Other overhead costs	RM
Rental of building	15,000
Utilities	5,000
Supervisors' salaries	10,000
Depreciation of equipment	60,900

Overhead are re-apportioned from service departments to the production department using direct method. Production overheads are absorbed based on machine hours for machining department and direct labour hours for assembly department.

Required:

- (a) Prepare the overhead analysis sheet showing allocation and apportionment of overhead costs. (Round up to the nearest RM).

(15 marks)

- (b) Calculate the overhead absorption rates (OAR) for both production departments.
(Round up to two decimal points).

(4 marks)

- (c) Identify one of the possible bases of apportionments for each of the following expenses.

- i. Canteen
- ii. Rent of factory building
- iii. Depreciation of machinery

(3 marks)

[22 marks]

Question 3

Esah KC opens a business of kitchen cabinet production in Kuala Terengganu. The company currently working on production Job Number KC109, building a specialized kitchen cabinet based on customer order. The following cost were related to Job Number KC109 during the month of January 2024.

<u>Direct material</u>	
-Cutting department	RM10,000
-Assembly department	RM25,000
<u>Direct labour</u>	
-skilled labour @ 500 hours	RM25 per hour
-semi skilled labour @ 500 hours	RM10 per hour
<u>Machine hours</u>	
-Cutting department	300 hours
-Assembly department	500 hours
Designer fees	RM1,500
Administrative cost	5% from prime cost
Installation cost	RM2,500

The company absorb production overhead based on machine hours and direct labour hours for cutting department and assembly department respectively. The data for the period were as follows:

	Cutting Department	Assembly Department
Budgeted overhead	RM30,000	RM20,000
Machine hours	15,000	12,000
Direct labour hours	1,500	4,000

Required:

Prepare the Job Cost Sheet for Job Number KC109 showing clearly prime cost, production cost and total cost.

(15 marks)

Question 4

Daud Talib Bakery makes and sells a single product, onion flavoured cookies known as Onionsnack. The budgeted and selling of the product is RM90 per box and budgeted cost at normal production of 15,000 boxes per annum are as follows:

	RM
Direct material	135,000
Direct labour	225,000
Production overhead	225,000
Variable selling overhead	50,000
Administrative overhead	50,000

Included in the production overhead cost per box is the fixed production overhead of RM8.00 per box. The fixed production overhead cost per box is based on normal annual production level of 15,000 boxes. These costs are expected to be incurred at a constant rate throughout the year. Fixed selling overhead amounted to RM10,000 per quarter. All administrative overhead is considered as fixed cost.

The company's activity levels during the second and third quarter of the year are :

	Second Quarter	Third Quarter
Sales (boxes)	6,000	6,500
Production (boxes)	7,000	6,000

There is no opening stock for the second quarter.

Required:

- (a) Prepare the statement of profit or loss for the third quarter using:
- The marginal approach
 - The absorption costing approach

(13 marks)

- (b) Explain **TWO (2)** benefit of marginal costing approach compared to absorption costing approach.

(2 marks)

[15 marks]

Question 5

Health Sdn Bhd is a company which produces air- freshner. The product need to undergo two processes, Roasting Process and Packaging Process. The following is the information regarding the the Roasting Process for the month of January 2024.

Production Data		Percentage of Completion	
	Kilogram	Materials	Conversion cost
Opening work in process	1,400	90%	70%
Materials	17,000		
Completed and transferred out	17,400		
Closing work in process	?	60%	40%
Cost Data		Materials	Conversion cost
Opening work in process		RM7,000	RM5,600
Cost added		RM20,000	RM30,000

The company uses weighted-average process costing to accumulate product costs.

Required:

- (a) Determine the number of closing work in process. (2 marks)
- (b) Determine the equivalent units. (6 marks)
- (c) Compute the cost per equivalent unit. (9 marks)
- (d) Determine the total cost of ending work in process inventory and the total cost of unit transferred to the next department. (7 marks)
- (e) State **TWO (2)** differences between joint products and by products. (4 marks)
- [28 marks]**

END OF EXAMINATION PAPER