



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
OCTOBER 2024 SEMESTER**

COURSE CODE : EAB20904
COURSE NAME : MANAGEMENT ACCOUNTING 1
PROGRAMME NAME : BACHELOR IN ACCOUNTING (HONS)
DATE : 7 FEBRUARY 2025
TIME : 3.00 PM – 6.00 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 FIVE (5) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

(Total: 100 marks)

INSTRUCTION: Answer ALL questions.**Please use the answer booklet provided****Question 1**

- (a) Discuss **TWO (2)** similarities between job order costing and process costing. (4 marks)
- (b) Differentiate between job order costing and process costing. Give **THREE (3)** reasons. (6 marks)
- [10 marks]**

Question 2

- (a) Serbaguna Sdn. Bhd. uses the weighted-average method in its process costing. The following data concern the company's Assembly Department for the month of November.

	Materials (RM)	Conversion (RM)
Work in process, 1 November	14,280	4,580
Cost added to production in the Assembly Department during November	181,877	156,892
Equivalent units of production for November	7,815	6,960

Required:

Compute the costs per equivalent unit for the Assembly Department for November.

(4 marks)

- (b) Serbaguna Sdn. Bhd. has provided the following data concerning the Assembly Department for the month of April. The company uses the weighted-average method in its process costing.

	Materials (RM)	Conversion (RM)
Cost per equivalent unit	14.80	32.40
Equivalent units in ending work in process	975	195

During the month, 4,800 units were completed and transferred from the Assembly Department to the next department.

Required:

Determine the cost of ending work in process inventory and the cost of units transferred out of the department during April using the weighted-average method.

(10 marks)

- (c) In November, one of the processing departments at Wawasan Corporation had beginning work in process inventory of RM27,000 and ending work in process inventory of RM21,000. During the month, the cost of units transferred out from the department was RM311,000.

Required:

Construct a cost reconciliation report for the department for the month of November.

(6 marks)

[20 marks]

Question 3

Home Craft Sdn. Bhd. produces two home decoration products for domestic market namely CLEAN and TIDY. The production of the products consumes two types of materials (Material X and Material Y) and worked by two types of labour (skilled labour and semi-skilled labour).

The estimate productions and sales of the products during December 2023 as follows:

	CLEAN	TIDY
Sales in units	2,400 units	3,200 units
Standard selling price per unit	RM570	RM480
Production cost per unit	RM380	RM320
Stock at production cost (1 st December 2023)	400	800
Stock at production cost (31 st December 2023)	500	1,100
Material X used for each unit	2 meters	3 meters
Material Y used for each unit	1 meter	2 meters
Skilled labour hours worked for each unit	10 hours	7 hours
Semi-skilled labour hours worked for each unit	6 hours	5 hours

Additional information:

1. Purchase cost of Material X and Material Y is RM20 per meter and RM30 per meter respectively.
2. Skilled labour will be paid at RM5 per hour, while semi-skilled labour will be paid at RM3 per hour.
3. Stocks of materials at purchase cost are as follows:

	Material X	Material Y
Stock at 1 st December 2023	1,000	2,000
Stock at 31 st December 2023	1,500	3,000

Required:

(a) Based on the above information, prepare the following budgets as at 31st December 2023.

- i. Sales budget. (2 marks)
 - ii. Production units budget. (3 marks)
 - iii. Material usage budget. (5 marks)
 - iv. Material purchase budget. (3 marks)
 - v. Direct labour cost budget. (2 marks)
- [15 marks]**

Question 4

Umar Enterprise is evaluating the introduction of a new product with an expected selling price of RM160 and expected variable product cost of RM100 per unit. Anticipated demand is 8,000 units. A new salesperson will be hired because the company's current sales force is working at capacity. Two compensation plans are under consideration:

Plan 1: An annual salary of RM32,000 plus 10% sales commission-based sales revenue.

Plan 2: An annual salary of RM140,000 and no sales commission

Required:

- (a) Calculate the contribution margin and net profit of the two plans at 8,000 units. (8 marks)
- (b) Calculate break even point (unit and sales) and margin of safety (unit) of the two plans. Advice to the management which plan to be adopted. (9 marks)
- (c) Suppose management plans to spend RM30,000 on advertising programme of the two plans, how many additional units must company sell to justify this additional expenditure? (8 marks)
- [25 marks]**

Question 5

Belly Berhad produce three main products using the same production methods and equipment for each product. A traditional costing method is currently being used, although an activity-based costing (ABC) method is under consideration. Details of the three products for a typical period are given below:

Product	Labour time per unit	Machine time per unit	Materials per unit (RM)	Volumes (Units)
ONE	0.5 hour	1.5 hours	20	750
TWO	1.5 hours	1 hour	12	1,250
THREE	1 hour	3 hours	25	7,000

Direct labour costs RM6 per hour and production overheads are absorbed on a machine hour basis. The rate for the period is RM30 per machine hour. Further analysis shows that the total of production overheads can be divided as follows:

Costs relating to set-ups	35%
Costs relating to machinery	20%
Costs relating to materials handling	15%
Costs relating to inspection	30%
Total production overhead	100%

The following activity volumes are associated with the product line for the period as a whole. Total activities for the period:

Product	Number of set-ups	Number of material handling	Number of inspections
ONE	75	12	150
TWO	115	21	180
THREE	480	87	670
TOTAL	670	120	1,000

Required:

- (a) Calculate the cost per unit for each product using traditional costing method.

(Note: Use two decimal point)

(6 marks)

- (b) Calculate the cost per unit for each product using activity-based costing method.

(Note: Use two decimal point)

(24 marks)

[30 marks]

END OF EXAMINATION PAPER