CONFIDENTIAL

UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
OCTOBER 2024 SEMESTER

COURSE CODE	:	**EIB30503**
COURSE NAME	:	**MANAGEMENT ACCOUNTING**
PROGRAMME NAME	:	**BACHELOR OF BUSINESS ADMINISTRATION (HONS)**
DATE	:	**10 FEBRUARY 2025**
TIME	:	**2.00 PM – 5.00 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

Restoran Senang Hati is a well-known 'nasi lemak' restaurant in Kuala Lumpur. Among the costs involved in the business operation for the month of April 2024 are as follows:

Cost	RM
Electricity and water	1,500
Rice (25 bags at RM 35 per bag)	875
Cucumber (10 kg at RM 4 per kg)	40
Wages of cashiers and waiters	8,500
Annual business license fee	530
Chicken (200 kg at RM 11 per kg)	2,200
Wages of the chefs (RM 2,100 per month for 3 chefs)	6,300
Petrol for deliver van	1,200
Chilies (80 kg at RM 8 per kg)	640
Coconut milk	390
Salt and seasoning	120
Manager's salary	2,800
Cooking gas (20 units at RM 31 per unit)	620
Eggs	550

Required:

(a) Determine the total cost for Restoran Senang Hati for the month of April 2024.

(15 marks)

(b) Prime cost refers to the sum of the direct cost for materials, labour and expenses. Based on your answer in (a) above, state any **FIVE (5)** examples of direct materials.

(5 marks)

[20 marks]

Question 2

Khemah Cantik Sdn. Bhd. is a well-known tent maker in Malaysia. One of the materials used is polyvinyl chloride (PVC). The PVC is imported from Philippines and the average consumption is 140 rolls per day. The minimum and maximum consumption of PVC is 120 and 160 rolls per day respectively. Shipment from Korea is expected to take between 3 to 5 weeks from the ordering date. Re-order quantity is 2,000 rolls. The average demand for the PVC is approximately 4,500 rolls per month and increase to 4,800 rolls during the festive seasons.

Required:

(a) Determine the re-order level, maximum stock level and minimum stock level for the materials in Khemah Cantik Sdn. Bhd.

(16 marks)

(b) Inventory control is an important feature of cost accounting system. State **FOUR (4)** material control procedures.

(4 marks)

[20 marks]

Question 3

Sedap Manis Enterprise produces and sells "mango juice" that are packed in a bottle. The following data is available for the month of May 2024.

	RM
Selling price per bottle	40
Variable cost per bottle:	
Direct materials	10
Direct labour	5
Production overhead	1
Selling overhead	2
Fixed administrative overhead	7,600
Depreciation expenses	10,000

Total mango juice produced and sold in the month of May were 1,200 units.

Required:

(a) Determine the contribution margin and the break - even point (in unit and values) for the month of May 2024.

(10 marks)

(b) Determine the margin of safety (in units and values) for May 2024.

(4 marks)

(c) Determine the net income for Sedap Manis Enterprise for the month of May 2024.

(6 marks)

[20 marks]

Question 4

Batik Anggun Sdn. Bhd. manufactures customised kain batik. During the month, the company received two orders for special guest at 1,000 packs (Job SG) and for respective guests at 1,500 packs (Job RG). The following details relate to the jobs:

	Job SG	**Job RG**
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 SG, Batik Anggun Sdn. Bhd. needs to incur a rental for a special machine at RM 1,500. The administrative cost is to be absorbed at 10% of the total production cost. The profit margin is 20%.

Required:

(a) Prepare the job cost sheet for Job SG and Job RG. Determine the total cost and profit for both Job SG and Job RG.

(16 marks)

(b) Compute the cost of the product per unit for Job SG and Job RG.

(4 marks)

[20 marks]

Question 5

Kaya Raya Sdn. 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	66
Factory cost	224
Selling and administration overhead	96
Total cost	**320**

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 using marginal costing approach.

(16 marks)

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

(4 marks)

[20 marks]

END OF EXAMINATION PAPER