



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
MARCH 2025 SEMESTER**

COURSE CODE	: EAB10603
COURSE NAME	: MANAGEMENT ACCOUNTING 1
PROGRAMME NAME	: BACHELOR IN ACCOUNTING (HONS)
DATE	: 25 JUNE 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 **FOUR (4)** 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**

Cost accounting concerned with the cost accumulation for inventory valuation to meet the requirements of external reporting and internal profit measurement. Therefore, it is very important to distinguish between production cost and non-production cost for cost controlling.

Required:

- (a) Differentiate between production costs and non-production costs. (4 marks)
- (b) State **THREE (3)** examples of each to support your answer in (a) above. (6 marks)
- (c) Below is a cost information related to the production activities of SanaSini Sdn. Bhd. for the first quarter of 2025. You are required to classify the following costs according to its behaviour.

Cost	Cost behaviour
Wood used in manufacturing	
Promotion and advertising	
Salaries to plant manager	
Telephone bills	
Wages of production workers	
Depreciation on plant and machinery	
Leasing charges for cars	
Commission for salesman	
Electricity expenses	
Office rental	

Rental of special machine	
Chief accountant's salary	
Interest on loan – 7% per annum	
Insurance on building	
Salaries to the supervisors	

(15 marks)

[25 marks]**Question 2**

Malay House of Silk is a well-known distributor of imported textiles in Malaysia. One of the popular imported textiles is soft silk fabric. The fabric is imported from China and the minimum usage is 1,200 rolls while the maximum usage is 1,600 rolls. At the end of the week, the stock level is being reviewed and if the re-order level is reached, an order will be placed the next day. Shipment from China is expected to take between three to five weeks from the ordering date. The re-order quantity is 20,000 rolls.

Required:

(a) Determine the following:

i. Re-order level.

(3 marks)

ii. Maximum stock level.

(5 marks)

iii. Minimum stock level.

(8 marks)

iv. Average stock level.

(4 marks)

(b) Economic Order Quantity is a size of the order which contributes towards maintaining the stocks of material at the optimal level and at a minimum cost. Identify **FIVE (5)** examples of handling cost.

(5 marks)

[25 marks]

Question 3

Bijaksana Sdn. Bhd. is a manufacturing company. The company is organised into five cost centres. Shown below are next year's budgeted operating costs for the company:

	Production Department			Service	Department	Total
	A	B	C	1	2	
	(RM)	(RM)	(RM)	(RM)	(RM)	
Direct Material	10,500	3,500	2,500			16,500
Direct Wages	3,200	5,200	1,500			9,900
Indirect Material and Wages	2,100	1,100	200	1,600	2,600	7,600
Power	4,800	1,200	300	200	700	7,200
Rent and Rates						10,000
Factory administration						12,000
Machine Insurance						3,600

Additional data extracted from next year's budget is shown below:

	A	B	C	1	2	Total
Floor area (Square meters)	12,000	27,000	6,000	12,000	3,000	60,000
Machine hours	150,000	50,000	50,000	-	-	250,000
Direct labour hours	120,000	180,000	60,000	-	-	360,000

Number of employees	60	90	45	10	45	250
Gross book value of equipment (RM)	300,000	100,000	100,000	-	-	500,000

Required:

- (a) Prepare an overhead analysis sheet for Bijaksana Sdn. Bhd.
(18 marks)
- (b) Two ways to assign all factory overhead to cost centre which are cost allocation and cost apportionment. State **FOUR (4)** basis cost allocation and cost apportionment.
(4 marks)
- (c) Service departments are not directly involved in production. Identify **THREE (3)** examples service department.
(3 marks)
[25 marks]

Question 4

A furniture making business manufactures quality sofa beds to customers' orders. It has three production departments which are installation, painting and sewing. The Overheads Absorption Rate (OAR) per direct labour hour which are RM10.50, RM8.60 and RM9.30 respectively. Two units of sofa beds are to be manufactured for customers. Direct costs are as follows.

	Job 1	Job 2
Direct material	RM112	RM124
Direct labour hours per department:		
Installation	18 hours	16 hours
Painting	13 hours	10 hours
Sewing	10 hours	14 hours

Labour rates are as follows:

RM4.60 per hour for installation.

RM3.20 per hour for painting.

RM3.60 per hour for sewing.

Required:

- (a) Differentiate between job order costing and process costing and provide an example for each.
- (b) Determine the total production cost for Job 1 and Job 2.
- (c) Identify **TWO (2)** methods of profits computation in job order costing.

(4 marks)

(19 marks)

(2 marks)

[25 marks]

END OF EXAMINATION PAPER