UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
MARCH 2025 SEMESTER

COURSE CODE	:	EAB20904
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

Mewah Tailor Sdn. Bhd. is a manufacturing company producing school uniforms. The uniforms are sold to retailers mainly supermarkets and shopping complexes. Given below are the forecasted data of Mewah Tailor Sdn. Bhd. for the month of November 2024 to March 2025.

Budgeted sales revenues, production units, material and labour cost are as follows:

	November	December	January	February	March
Sales revenues (RM)	248,000	236,000	232,000	252,000	260,000
Production units	12,700	11,300	11,700	12,800	13,400
Direct material cost (RM)	68,600	71,350	76,150	86,450	89,150
Direct labour cost (RM)	70,800	71,000	70,200	76,800	80,400

Additional information:

1. The collection of the monthly sales are as follows:
   - 10% of the sales are cash sales.
   - 40% of the credit sales are collected one month after sales incurred and the remaining credit sales will take an additional month's credit.

2. Payment for the material purchases are as follows:
   - 40% paid in the month of purchase.
   - The remaining balance will be paid one month after purchase.

3. Wages are paid in the month in which they are incurred.

4. Variable overhead is RM3 per unit. One third of the variable overhead is paid in the month incurred. The balance is payable one month in arrear.

5. Monthly fixed overhead is RM15,000 and paid as it is incurred.

6. Included in the fixed overhead costs are monthly depreciation of delivery van and machinery amounting RM2,400 and RM3,000 respectively.

7. A new machinery costing RM52,000 will be purchased and installed in January 2025. 25% of the cost is payable during installation and the balance will be paid in three equal installments starting February onwards.

8. Advertising cost of RM10,000 will be paid in February 2025.

9. Opening cash balance for January 2025 is RM4,500.

Required:

(a) Prepare a cash budget for Mewah Tailor Sdn. Bhd. from the month of January 2025 to March 2025.

(24 marks)

(b) Cash budget is an estimation of the cash inflows and outflows for a business over a specific period of time, and this budget is used to assess whether the entity has sufficient cash to operate. Identify **TWO (2)** importance of cash budget.

(1 mark)

[25 marks]

Question 2

Atlas Sdn. Bhd. manufactures and sells a product called Puma. For the year ended March 2025, the company has managed to produce and sells 20,000 units of Puma. The following information relates to the production and sales of Puma for the year ended 31 March 2025.

Selling price per unit	RM70.00
Variable cost per unit:	
Direct Material	RM20.00
Direct Labour	RM15.00
Direct Expenses	RM10.00
Annual fixed cost	RM250,000

The following changes are estimated for the year ended 31 March 2025:

1. Increase in direct material to RM25.00 per unit.
2. Increase in direct labour by RM4.00 per unit.
3. Increase in direct expenses to RM13.50 per unit.
4. Increase in sales unit to 40,000 units.

During the year, the rental expenses increased by 10%. All other information remains unchanged.

Required:

(a) For the year ended 31 March 2025, determine the:

i. Contribution per unit of Puma.

(2 marks)

ii. Annual net profit of Atlas Sdn. Bhd.

(4 marks)

iii. Break-even point (in units and value) for Puma.

(4 marks)

iv. Margin of safety (in units and value) for Puma.
(show all workings)

(4 marks)

(b) Based on the new changes on cost structure of Puma, calculate the followings for the year ended 31 March 2025:

i. Contribution per unit.

(3 marks)

ii. Break-even point (in unit and value).

(2.5 marks)

iii. Margin of safety (in units).

(2.5 marks)

(c) List any **THREE (3)** assumptions of cost volume profit analysis.

(3 marks)

[25 marks]

Question 3

Jaya Market opened near a residential area around 12 months back. He has four departments, namely Clothing, Toiletries, Wet Market and Foodstuffs. The financial statement prepared by her bookkeeper shows that the dry foodstuffs department has incurred a loss of RM 8,000. Ahmad Albab is now considering shutting the dry foodstuffs department due to the losses incurred.

The following information relates to the first 12 months of operations:

	Clothing	Toiletries	Wet Market	Dry Food-Stuff
	RM	RM	RM	RM
Sales	20,000	65,000	52,000	60,000
Less: Total Cost	(18,000)	(42,000)	(25,000)	(68,000)
Net Profits / Loss	**2,000**	**23,000**	**27,000**	**(8,000)**

Total fixed costs amount to RM30,000 which is apportioned equally to the departments.

Required:

a) Advise Jaya Market if the Dry Foodstuffs department should be dropped from the line departments.

(18 marks)

b) Discuss **TWO (2)** factors need to be considered before dropped the line department.

(4 marks)

c) Short-term decisions are usually undertaken by lower-level managers while strategic are executed by top management level. Short-term decision making is usually focused on operating decision that normally covers a duration of usually one year or less. State any **THREE (3)** types of short-term decision making.

(3 marks)

[25 marks]

Question 4

Time Toybar Enterprises manufactured and sells children toy at selling price of RM60 per unit. Total sales in March 2025 are 12,000 units and the total production is 8,000 units. The following information available for March 2025.

Production cost per unit	**RM**
Direct material cost per unit	10
Direct labour cost per unit	12
Variable production overhead cost per unit	8
Fixed production overhead cost per month	40,000

Additional information:

1. The closing inventory as of 28 February 2025 is 4,000 units.
2. There are sales commission paid to the sales team at a rate of RM5 per unit sold.
3. The company incurred a fixed advertising cost of RM960,000 per year.
4. The selling and administrative cost is fixed and charged at RM20,000 per month.

Required:

(a) Determine the production cost per unit for marginal and absorption costing.

(5 marks)

(b) Prepare the statement of profit or loss for the month of March 2025 using:

i. Marginal costing approach.

(8 marks)

ii. Absorption costing approach.

(8 marks)

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

(4 marks)

[25 marks]

END OF EXAMINATION PAPER