



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
OCTOBER 2025 SEMESTER**

COURSE CODE	: EAB20904
COURSE NAME	: EAB20904 MANAGEMENT ACCOUNTING 1
PROGRAMME NAME	: BACHELOR IN ACCOUNTING (HONS)
DATE	: 26 JANUARY 2026
TIME	: 9.00 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 **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 SIX (6) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

(Total: 100 marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided

Question 1

Fun Toy Limited manufactures two types of educational toy for the school children namely Funny and Jolly. The manufacturing of the toys requires two types of materials, FT001 and FT005 and two grades of labour which are skilled labour and semi-skilled labour.

Data regarding the consumption of material and the hours worked to produce one unit of each product is shown below:

	Funny	Jolly
Direct material FT001 (RM4 per kg)	12 kilos	15 kilos
Direct material FT005 (RM10 per kg)	5 kilos	4 kilos
Skilled labour (RM10 per hour)	5 hours	3.5 hours
Semi - skilled labour (RM6 per hour)	3.5 hours	2.5 hours

Projected data for March 2025 are as follows:

	Funny	Jolly	FT001	FT005
Opening stocks (units)	800	1,600	15,000	12,500
Closing stocks (units)	880	1,760	12,000	10,000
Sales revenue (RM)	273,600	76,800	0	0
Selling price per unit (RM)	114	96	0	0
Sales (units)	2,400	800	0	0

Additional information:

1. Variable production overhead is absorbed at RM2 per labour hour.
2. Fixed production overhead estimated to RM24,800 for Funny and RM9,600 for Jolly.

Required:

- (a) Using the information above, you are required to prepare the followings budgets for the month of March 2025:
 - i. Production Budget for Funny and Jolly. (4 marks)
 - ii. Direct Material Usage Budget for FT001 and FT005. (3 marks)
 - iii. Direct Material Purchase Budget for FT001 and FT005. (4 marks)
 - iv. Direct Labour Budget for Funny and Jolly. (4 marks)
 - v. Production Cost Budget for Funny and Jolly. (8 marks)

 - (b) The accounting measurement tool used by most firms to both plan and control revenues and costs is referred to as a Flexible Budget. Discuss **ONE (1)** purpose of flexible budget. (2 marks)
- [25 marks]**

Question 2

Rest and Happy Sdn. Bhd. makes three types of lounge chair which are Type AA, Type BB and Type CC. A traditional costing method is used at present, although an Activity-Based Costing (ABC) method is being considered. Details of the lounge chair for a typical period are given below:

	Type AA	Type BB	Type CC
Labour hour/Unit	3 hours	4 hours	6 hours
Machine hour/Unit	2 hours	3 hours	4 hours
Materials/Unit	RM50	RM60	RM70
Volume (Units)	250	150	100

Direct labour costs RM30 per hour and production overheads are absorbed on a machine hour basis. The rate for the period is RM45 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:

	Type AA	Type BB	Type CC	Total
No. of set-up	20	30	35	85
No. of materials handlings	15	20	25	60
No. of inspections	35	42	40	117

Required:

- (a) Determine the cost per unit for each product using traditional costing method. (5 marks)
- (b) Determine the cost per unit for each product using activity-based costing method. **Note: Use 2 decimal point.** (15 marks)
- (c) Identify **FIVE (5)** examples of cost center. (5 marks)
- [25 marks]**

Question 3

Mekar Sdn. Bhd. produces only one product which is budgeted to have a standard variable unit cost of RM65. The current year's budget for making and selling 40,000 units includes the following data:

	<u>RM</u>
Fixed overheads cost:	
Factory	2,800,000
Administration	800,000
Selling and distribution	600,000
Total contribution	4,800,000

The managing director is not satisfied with the present volume of output and budgeted annual profits. He wants a minimum annual profit of RM1,000,000 and believes that it is possible to increase the quantity sold to 48,000 units as a direct result of spending RM400,000 on advertising. At this increase level of output, fixed factory overhead would increase by RM60,000 and fixed selling and distribution costs would also increase by RM40,000.

Required:

(a) Using the current budgeted data only, calculate:

i. The annual profit.

(4 marks)

ii. The selling price per unit.

(4 marks)

iii. The break-even point (units).

(3 marks)

- (b) Based on the managing director suggestion, determine:
 - i. The new total fixed cost and the latest selling price per unit in order to maintain the minimum profits. (5 marks)
 - ii. The latest break – even points in units. (4 marks)
 - (c) Identify **FIVE (5)** assumptions on cost-volume-profit analysis. (5 marks)
- [25 marks]**

Question 4

Yamura Music Sdn. Bhd. manufactures brass musical instruments intended for use by high school students. The company uses a job costing system in which manufacturing overhead is absorbed on the basis of direct labour hours. The company’s budget for 2026 included the following estimates:

Budgeted total manufacturing overhead	RM426,300
Budgeted total direct labour hours	20,300 hours

During January 2026, the company worked on the following 2 production jobs:

- Job No T20 consists of 160 trombones.
- Job No C28 consists of 330 clarinets.

The events during January are described as follows:

1. The following requisitions for direct materials were filled on 2 January 2026.

Requisition number	Items	Rate
RN200 for Job T20	2,500 sq meter of metal sheet	RM15 per sq meter
RN150 for Job C28	1,000 kg of metal tubing	RM10 per kg
RN16 for Job T20	240 units of valve	RM5 per valve
RN17 for Job C28	220 units of valve	RM3 per valve

2. An analysis of labour time cards revealed the following labour usage. The skilled labour is paid RM50 per hour while the unskilled labour is paid RM20 per hour irrespective of job performed.

Job	Skilled labour	Unskilled labour
T20	600 hours	200 hours
C28	800 hours	100 hours

3. It is the company policy to charge the selling overheads and administrative overheads to all jobs based on 5% and 2% on the total production costs respectively.

Required:

- (a) Prepare a Job Cost Sheet for Job No T20 and Job C28. (18 marks)
- (b) Assuming that the selling price for one trombone is RM700 and one clarinet is RM300. Determine the total profits of each instrument. (4 marks)
- (c) Identify **THREE (3)** items should be included in the Job Cost Sheets. (3 marks)
- [25 marks]**

END OF EXAMINATION PAPER