



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
OCTOBER 2025 SEMESTER**

COURSE CODE	: EIB30503
COURSE NAME	: MANAGEMENT ACCOUNTING
PROGRAMME NAME	: BACHELOR IN BUSINESS ADMINISTRATION (HONS)
DATE	: 25 JANUARY 2026
TIME	: 09.00AM - 12.00PM
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 SEVEN (7) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

(Total: 100 marks)

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

Question 1

(a) A company that manufactures and retails clothing incurs the following costs:

1. Depreciation of sewing machines.
2. Wages of security guards for the factory.
3. Cost of advertising products on television.
4. Wages of workers in the cutting department.
5. Insurance on stocks.
6. Fabrics in the production of clothes.
7. Royalty payable on the number of units of clothing produced.
8. Developing a new product in the laboratory.
9. Chief accountant's salary.
10. Market survey was undertaken before a new product launch.

Required:

Identify the above cost either direct material, direct labour, direct expense, manufacturing overheads or period cost.

(5 marks)

- (b) Fastride Sdn. Bhd. operates a delivery service by electric motorbike. The following cost data is available in the fourth quarter of 2025.

Costs incurred per annum	RM
Kiosk Rental	36,000
Depreciation of electric motorbike	600
Mobile application platform fees	12,000
Insurance costs	6,000
Repairs & maintenance costs per annum	3,000
Costs incurred per electric motorbike:	
Battery replacement per trip	15
Electricity charging cost per trip	7
Costs incurred per worker:	
Supervisor salaries per month	3,000
Wages per month – 3 delivery riders	6,000
Number of trips:	
October	2,700
November	3,500
December	4,200

Required:

Based on the data given above, calculate the following:

- i. The variable cost per trip.
- ii. The fixed cost per month.
- iii. The total cost for the fourth quarter of 2025.

(15 marks)

[20 marks]

Question 2

Seven-10 Manufacturing Sdn. Bhd. is using the First-In-First-Out (FIFO) method while maintaining its raw materials. The following transaction is the information regarding to the purchase and issuance of the raw materials during the month.

Date	Transactions	RM
Nov. 1	Opening stocks of 3,000 units	15,000
Nov. 3	Issued 1,700 units	
Nov. 5	Received 2,800 units	15,400
Nov. 10	Issued 4,000 units	
Nov. 13	Received 1,800 units	10,080
Nov. 16	Returned 200 units of damaged goods to the suppliers, which were purchased on 13 November	
Nov. 19	Issued 1,500 units	
Nov. 28	Received 1,000 units	5,900

On 30th November 2025, the stocktaking shows a balance of 1,100 units.

Required:

Prepare the store ledger card using the First-In-First-Out (FIFO) method and state the closing stock value for the month of November 2025.

[20 marks]

Question 3

High Tech System Sdn. Bhd. operates as a manufacturing company specializing in the production of commercial thermal printers designed specifically for retail systems. The following is the forecasted production overhead for its production for the year ended December 2025.

Allocated overhead:	Department 1	RM150,000
	Department 2	RM250,000
	Maintenance	RM78,000
	Store	RM50,000

Common cost:	Depreciation on machinery	RM60,000
	Factory rental	RM30,000
	Utilities (electricity)	RM22,000

Other additional information:

	Department 1	Department 2	Maintenance	Store
Floor area (sq. ft)	1,000	800	400	300
Machine hours	12,000	10,000	1,500	1,000
Labour hours	8,000	14,000	-	-
Power usage (kw/hour)	40	50	30	10
Machine Value (RM)	100,000	180,000	30,000	10,000
Maintenance's reapportionment ratio	4	2		
Store's reapportionment ratio	2	3		

Required:

- (a) Prepare the Overhead Analysis Sheet, (OAS).

Note: Round up all figures.

(15 marks)

- (b) Determine the Overhead Absorption Rate (OAR) for Departments 1 and 2 using the following basis:

Department 1 – Machine hours

Department 2 – Direct labour hours

Note: Use 2 decimal points.

(3 marks)

- (c) List
- TWO (2)**
- types of non-production costs.

(2 marks)

[20 marks]

Question 4

Cuppy Bara Sdn. Bhd. produces a wooden foldable table with a selling price of RM60 per unit. The annual production and sales for the table are 4,800 units. The following data consists of costs incurred during the year ended 2025:

	RM
Material (100% variable)	86,400
Labour (60% variable)	80,000
Variable selling expenses	24,000
Fixed selling expenses	35,000
Fixed administrative expenses	40,000

The management accountant of the company is proposing the following alternatives to increase sales for the year 2026 and to reduce the idle capacity:

1. Reducing the selling price to RM55 per unit, which would lead to an estimated increase in the sales volume by 20%.
2. The materials cost will increase to RM103,680.
3. An increase in sales would result in an increase in variable labour cost per unit by 10%.
4. Fixed selling expenses are also expected to increase to RM39,500 due to an aggressive advertising campaign planned to boost sales.

Required:

(a) Determine for the year 2025:

- i. Break-even point (BEP) in units and value.

(5 marks)

- ii. Margin of safety (MOS) in value.

(2 marks)

- iii. The expected sales in units and value if the company targets a profit of RM65,000.

(4 marks)

- (b) Advise the management of Cuppy Bara Sdn. Bhd. whether the company should implement the proposed alternative for the year 2026.

(9 marks)

[20 marks]**Question 5**

Yaya Sweet Enterprise specializes in manufacturing candies and chocolates with custom-designed boxes. The data presented below has been extracted from the books of Yaya Sweet Enterprise for the months of November and December 2025.

Normal capacity is 6,000 boxes per month. The production and sales units for November and December 2025 are as follows:

	<u>November</u>	<u>December</u>
Sales units	5,500	5,800
Production units	5,800	5,500
		<u>RM</u>
Selling price per box		88
Direct material cost per box		28
Direct labour cost per box		13
Variable production overhead per box		7
Fixed costs per month:		<u>RM</u>
Production overhead		84,000
Administrative and finance expenses		30,000
Selling expenses		22,000

The fixed production overhead is absorbed based on normal capacity.

The variable selling expenses are 2% of sales values.

The closing stock on 31 October 2025 is 100 units.

Required:

- (a) Prepare the Income Statement for the month of December 2025 using both the Marginal Costing and Absorption Costing approaches. Show all calculation for the cost per unit using both approaches, opening stock and closing stock quantity.

(16 marks)

- (b) Explain **TWO (2)** differences between Marginal Costing and Absorption Costing approach.

(4 marks)

[20 marks]

END OF EXAMINATION PAPER