CONFIDENTIAL

UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
MARCH 2026 SEMESTER

COURSE CODE	:	EIB30503
COURSE NAME	:	MANAGEMENT ACCOUNTING
PROGRAMME NAME	:	BACHELOR IN BUSINESS ADMINISTRATION (HONS)
DATE	:	22 JUNE 2026
TIME	:	9am – 12pm
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.

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(Total: 100 marks)

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

Question 1

Seri Maju Furniture Sdn. Bhd. is a small manufacturing company located in Melaka that produces wooden tables and chairs. The company has been operating for five years and is managed by Mr. Azlan, who wants to improve the company's cost control and decision-making process. Recently, the management accountant of the company recorded the following costs in March:

Overhead cost		**RM**
Wages for factory workers	(Output based remuneration system)	9,000
Salary of factory supervisor	(Time-based remuneration system)	4,400
Office staff salaries	(Time-based remuneration system)	7,000
Electricity for factory machines	(The production is machine intensive)	15,000
Wood materials		25,000
Paint and varnish		1,000
Advertising expenses		2,000
Office rental		2,000
Office utilities expenses		1,500
Factory rental		9,000

Required:

(a) From the costs given above, identify **FOUR (4)** variable cost and **SIX (6)** fixed costs.

(5 marks)

(b) Explain **FOUR (4)** differences between wages for factory workers paid through output-based remuneration system and salary of factory supervisor paid through time-based remuneration system.

(8 marks)

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(c) State **FOUR (4)** costs from the case which relevant or irrelevant for a short-term decision.

(4 marks)

(d) Identify **FOUR (4)** costs that are NOT related to production and state their category.

(4 marks)

(e) From the case study, list **FOUR (4)** costs and group them into the following categories.

i. Manufacturing costs

(2 marks)

ii. Non-manufacturing costs

(2 marks)

[25 marks]

Question 2

Custom Metal Sdn. Bhd. is an original equipment manufacturer (OEM) which its specialised industrial components based on customer orders. The company operates through three production departments which are Department X, Department Y and Department Z.

The predetermined overhead absorption rates (OAR) per direct labour hour are as follows:
Department X: RM13.20 per hour
Department Y: RM11.75 per hour
Department Z: RM15.60 per hour

Two jobs were completed during the month that are Job Beta and Job Gamma. Given below the information for both jobs:

	Job Beta	**Job Gamma**
Direct materials:	RM180	RM135

Direct Labour:

Department	Labour Rates	Job Beta	Job Gamma
X	RM4.20 per hour	18 hours	14 hours
Y	RM3.80 per hour	15 hours	11 hours
Z	RM3.60 per hour	12 hours	16 hours

Required:

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(a) Calculate the total job cost for both jobs Beta and Gamma.

(19 marks)

(b) Describe **THREE (3)** key cost components involved in job costing and explain how each component contributes to the total job cost. (Note: Please use 2 decimal points.)

(6 marks)

[25 marks]

Question 3

Dapur Istana Sdn. Bhd. which produce various type of sauces such as chilli sauces, black pepper sauces, ketchup and other delicious sauces with the brand of "Sajian Enak". The company has four departments namely processing, packaging, maintenance and store department. For processing and packaging department its classified as production cost centre while maintenance and store department are classified as service cost centre. The following information relates to the production for June 2026.

Direct allocation cost:	**Indirect Materials (RM)**	**Indirect Labour (RM)**
Processing	12,000	12,000
Packaging	7,000	3,000
Maintenance	-	9,000
Store	-	4,000

Overhead costs:	**RM**	**Allocation base**	**Measurement**
Factory rental	36,000	Floor area	Sq. meter
Electric charge (Power)	45,000	Kilowatt hours	Kwh
Equipment Depreciation	40,000	Equipment value	RM

Measurement	**Processing**	**Packaging**	**Maintenance**	**Store**	**Total**
Floor area (sq. meter)	2,500	1,500	500	500	5,000
Cost of equipment (RM)	125,000	100,000	20,000	5,000	250,000
Machine hours (hours)	14,000	4,000	-	-	18,000
Direct labour hours (hours)	1,600	8,400	-	-	10,000
Kilowatt hours (Kwh)	5,000	3,000	1,500	500	10,000
No. of material requisition	240	160	-	-	400
Maintenance hours (hours)	280	120	-	-	400

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For re-apportionment, maintenance department uses maintenance hours while store department uses the number of material requisition. For overhead absorption rates (OAR), production overheads are absorbed based on machine hours for processing department and direct labour hours for packaging department.

Required:

(a) Prepare the Overhead Analysis Sheet (OAS) showing allocation, apportionment and re-apportionment of overhead costs.

(18 marks)

(b) Calculate the overhead absorption rates (OAR) for both production departments.

(3 marks)

(c) Explain why cost accountant need to prepare Overhead Analysis Sheet (OAS).

(4 marks)

[25 marks]

Question 4

Future Furniture Enterprise produces a single product called Portable table, a portable ergonomic table for remote workers. Due to increasing demand for home and office equipment, the company is evaluating its cost structure and pricing strategy for the upcoming financial year.

The following information has been extracted from the company's budget:

Selling price per unit	RM120
Variable cost per unit	RM70
Total fixed costs per year	RM180,000
Expected sales volume	5,000 units

Recently, management is considering a proposal to increase advertising expenses by RM30,000, which is expected to increase sales volume by 20%. However, due to higher logistics costs, the variable cost per unit will increase by RM5. In order to cover the incremental cost, management decided to increase the selling price by RM10.

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Required:

(a) Based on the current situation, calculate the contribution margin per unit and the contribution margin ratio based on the current situation.

(3 marks)

(b) Determine the Break-Even Point (BEP) in units and in sales value under the current situation.

(3 marks)

(c) Calculate the expected profit at the current sales volume of 5,000 units.

(2 marks)

(d) Based on the proposed changes, recalculate the new contribution margin per unit and compute the new Break-Even Point (BEP) in units

(5 marks)

(e) Evaluate whether the company should accept the proposal. Support your answer with quantitative analysis by comparing both profit and a brief qualitative justification.

(12 marks)

[25 marks]

END OF EXAMINATION PAPER

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