



**KOLEJ YAYASAN PELAJARAN JOHOR
ONLINE FINAL EXAMINATION**

COURSE NAME : MANAGEMENT ACCOUNTING 1
COURSE CODE : DAC1033
EXAMINATION : JUNE 2022
DURATION : 3 HOURS

INSTRUCTION TO CANDIDATES

1. This question paper consists of **FIVE (5)** questions.
2. Please refer to the detailed instructions in this question paper.
3. Answer ALL questions in the answer sheet which is A4 size paper (or other paper with the consent of the relevant lecturer).
4. Write your details as follows in the upper left corner for each answer sheet:
 - i. Student Full Name
 - ii. Identification Card (I/C) No.
 - iii. Class Section
 - iv. Course Code
 - v. Course Name
 - vi. Lecturer Name
5. Each answer sheet must have a page number written at the bottom right corner.
6. Answers should be **neat and clear in handwritten form**.

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO

*This examination paper consists of **8** printed pages including front page*

QUESTION 1

- a. State any **TWO (2)** differences between financial accounting and cost accounting. (4 marks)
- b. Creative Stationery produces specialized engrave jumbo size color pencils for their target market. The following cost incurred for the month September 2021.

	RM
Direct material cost	12,800
Production workers' salary	8,250
Return of direct material to supplier	500
Depreciation on special engrave machine	1,050
Depreciation of showroom shelving	500
Advertising and promotion	700
Salary of production supervisor	3,500
Salary of sales promoters	3,600
Indirect materials	2,300
Rent expenses (60% production)	5,000
Utilities expenses (80% production)	2,600
Depreciation of delivery van	800

Required:

Prepare cost statement for the month of September 2021.

(11 marks)

[15 marks]

QUESTION 2

A. Kebun Mega Sdn Bhd manufactures customized gardening tools. The company received a job order for 1,000 units of special tools in August 2021. A designer was engaged by the company to design the ordered tools for a fee of RM1,000. The following is the information to produce a unit of the tool:

Items	Quantity	Purchase Price
Material X	1.0 kilogram (kg)	RM20 per kg
Material Y	1.5 meters(m)	RM15 per meter
	Duration	Rate per Hour
Skilled worker	1 hour	RM20
Semi -skilled worker	4 hours	RM10

The company charges the overhead cost based on 150% of direct labour cost incurred.

Required:

- a. Describe the term 'job order costing' and list **THREE (3)** characteristics of job order costing.

(4 mark)
 - b. Prepare a job cost sheet for the job.

(6 marks)
- B. Service costing is one of the parts of operation costing which is used in all organization that provides services instead of producing of goods. For calculating the price of each service, it is very necessary to collect all the expenses relating to the service.
- a. State **TWO (2)** types of business that suitable to practice service costing and **TWO (2)** main problems in service costing.

(4 marks)

- b. The following information is available for Cerdik Pandai Tuition Center for August 2021:

Cost items	
Teaching Staff's salaries	RM700 per staff per month
Administration workers' salaries	RM400 per worker per month
Number of teaching staff	5 staffs
Number of administration worker	2 workers
Utilities	RM600 per month
Depreciation of furniture	RM800 per month
Rental of building	RM2,500 per month
Stationeries	RM6 per student per month
Printing	RM5 per student per month
Number of students	50 students

Required:

Calculate the following for the month of August 2021:

- i. Total variable cost
- ii. Total fixed cost
- iii. Total cost per student

(6 marks)

[20 marks]

QUESTION 3

Rivera Construction Sdn. Bhd. was awarded a contract to upgrade the footbridge over Sungai Batu Pahat. The following information relates to the contract:

- i. The contract price is RM320,000
- ii. The contract commenced on 1 April 2020 and is scheduled to be completed on 31 March 2021.

The accounting period of Rivera Construction Sdn Bhd ends on 31 December each year. The following are the details related to the contract for the year ended 31 December 2020.

	RM
Materials purchased from suppliers	85,000
Materials from store	15,000
Materials at site	6,000
Plant at cost on 1 April 2014	150,000
Labour costs (5,000 hours @ RM5.00 per hour)	25,000

Additional information:

1. Site overhead are absorbed based on direct labour hours. The pre determined overhead rate is RM1.80 per labour hour.
2. Administrative overheads and head office overheads were 5% and 3% respectively of the total material used.
3. The plant is to be depreciated at 10% per annum.
4. The architect issued certificates covering 65% of the contract price, and it was agreed that the payment to contractor is subjected to 5% of retention money.
5. It is estimated that the company will incur further contract costs amounting to RM86,000 to complete the contract work.
6. The company uses input (cost) method in recognizing the revenue of the project.

Required:

a. Prepare the following account for the year ended 31 December 2020:

- i. Construction in Process Account; and
- ii. Account Receivable

(Note: All calculations are to be made to the nearest RM)

(17 marks)

b. List **THREE (3)** parties involved in contract costing.

(3 marks)

[20 marks]

QUESTION 4

Panamax Bhd produces a single product through two sequential processes. The process starts at the Assembly Department and continues to the Finishing Department. The completed output from the Finishing Department will be sent for packaging and then to the warehouse for storage.

The information below relates to Finishing Department for the month of March 2020.

Transfer from the Assembly Department	5,950 kg at RM29,450
Opening work in progress: <u>Degree of Completion</u> Material 80% Conversion cost 60%	500 kg at RM2,500
Material added	250 kg at RM3,726
Conversion cost	RM7,500
Closing work in progress: <u>Degree of Completion</u> Material 70% Conversion cost 50%	300 kg
There is no expected loss in this department. However, 100 kg is rejected at the end of the process due to the carelessness of a new employee. These rejected units can be sold at RM1.00 per kg.	

Required:

- a. Prepare process account for the Finishing Department. (6 marks)
- b. Prepare the followings: (18 marks)
- i. Statement of Equivalent Units;
 - ii. Statement of Costs and Evaluation; and
 - iii. Abnormal Loss and Abnormal Gain account (if any) for both processes.
- (Note: All calculations are to be made to the nearest RM and cost per unit to two decimal places)
- c. Give **TWO (2)** differences between process costing and job costing (4 marks)
- d. Identify **TWO (2)** reasons of apportioning joints costs to joints products. (2 marks)
- [30 marks]**

QUESTION 5

Ring Ring Sdn. Bhd. is a company located at the Tok Arau industrial area in Perlis. It is involved in manufacturing various types of leather casing for smartphone and tablets.

The following data has been extracted from the books of Ring Ring Sdn Bhd for the month of January and February 2021.

Normal capacity is 22,000 units per month.

Production and sales units for January and February 2021 are as follows:

	January	February
Sales units	20,000	24,000
Production units	24,000	20,000

	RM
Selling price per unit	100.00
Direct material cost per unit	36.00

Direct labour cost per unit	8.00
Variable production overhead	6.00

	RM
Fixed costs per month:	
Production overhead	198,000
Selling and distribution expenses	28,000
Administrative expenses	52,000

The fixed production overhead is absorbed based on normal capacity.

The variable selling expenses is 10% of sales value.

There were no opening stocks of manufactured goods on 1 January 2021.

Required:

- a. Prepare Statement of Profit or Loss for Ring Ring Sdn Bhd for the month of February 2021 using:
- Marginal costing approach
 - Absorption costing approach

(10 marks)

- b. Justify the differences in profit between marginal costing and absorption costing in (a) above. (Support your answer with calculations)

(2 marks)

- c. Briefly explain the **THREE (3)** situations where profit will be the same for both Absorption and Marginal costing.

(3 marks)

[15 marks]

END OF QUESTION PAPER