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**KOLEJ YAYASAN PELAJARAN JOHOR  
FINAL EXAMINATION**

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**COURSE NAME : MANAGEMENT ACCOUNTING 1**  
**COURSE CODE : DAC1033**  
**EXAMINATION : JUNE 2023**  
**DURATION : 3 HOURS**

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**INSTRUCTION TO CANDIDATES**

1. This examination paper consists of **ONE (1)** part : PART A (100 Marks)
2. Candidates are not allowed to bring any material to examination room except with the permission from the invigilator.
3. Please check to make sure that this examination pack consists of:
  - i. The Question Paper
  - ii. An Answering Booklet

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*This examination paper consists of 9 printed pages including front page*

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This part contains **FIVE (5)** questions.

Answer ALL questions in Answering Booklet.

### QUESTION 1

A. State **TWO (2)** responsibilities of management accountant.

(2 marks)

B. Non- manufacturing costs refer to the costs incurred outside the factory or production department. List the following non- manufacturing costs according to their functions: Selling cost, Distribution cost, or Administrative costs.

- i. Executive salaries
- ii. Shipping cost
- iii. Petrol for delivery van
- iv. Audit fee
- v. Depreciation of office equipment
- vi. Postage cost
- vii. Advertising cost
- viii. Office utilities

(4 marks)

C. Azzey Leather Berhad produce a variety of leather products. Given below were costs incurred for July 2022:

	RM
Direct material costs	5,500
Indirect material costs	850
Salary for production workers	7,500
Salary for supervisors	7,200
Advertisement expenses	400
Depreciation of sewing machines & equipment	500

Salesman commission	900
Administration costs	6,200
Designer's fee	1,000
Utilities expenses (30% is for office)	2,600

**Required:**

Prepare its cost statement for July 2022 showing clearly the prime cost, total production cost and total costs.

(7 marks)

D. Briefly explain period cost and state **ONE (1)** example of the cost.

(2 marks)

**[15 marks]****QUESTION 2**

A. Custom Creative Sdn. Bhd. manufactures customized wooden swing set for a local market. The following information is available for the period ended 31 December 2022.

A new order for the swing was received from Mr Zenal, names as Job No. 230. The data relating to the costs incurred for that order are as follow:

Direct materials

Wood board	RM1,600
Swing beam	RM2,300

Direct Labour

Machining (50 hours)	RM500
Finishing (45 hours)	RM450

Hire of special machine	RM850
Administrative expenses	15% of production cost



**QUESTION 3**

Megah Perkasa Berhad signed a contract to build an office building in January 2022. The contract is scheduled to be completed on December 2022. The following information relates to the contract transactions for the year 2022.

	RM
Contract price	1,340,000
Transactions during the year 2022:	
Plant and Machinery brought to site	80,000
Material delivered to site	200,000
Wages paid	100,000
Payment to subcontractor	70,000
Salaries	40,000
Hire of Equipment	150,000
Head office overhead cost	30,000
Material returned to supplier	30,000
Balanced carried forward at the end of the year 2022:	
Material on site	16,000
Carrying value of plant and machinery issued to site	40,000
Wages outstanding	10,000
Advanced payment to subcontractor	10,000

The site engineer estimates that the further costs required to complete the contract will be RM280,000 which includes construction service and rectification. The value of work certified is RM800,000, 80% of the amount have been invoiced to the contractee and received during the year 2022. The company uses input (cost) method in recognizing the revenue of the project.

**Required:**

Prepare the following account for the year ended 31 December 2022:

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

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

[20 marks]

**QUESTION 4**

Jane Radzi Sdn. Bhd. is a company which produces air-freshener. One of its products, 'Apple Fragrance Bag' needs to undergo two processes, Roasting process and Packaging process. The following is the information regarding the two processes for the month of January 2021:

**Roasting Process**

Direct materials	15,000 kilograms @ RM3 per kg
Direct labour	2,000 hours @ RM6 per hour
Direct expenses	RM10,000
Production overheads	Absorbed at a rate of RM4 per direct labour hour
Output	12,000 kilograms

No losses are expected to be incurred in this process. There is no opening and closing work in progress for the process.

**Packaging Process**

Material added	5,000 kilograms costing RM20,000
Conversion cost	RM30,000
Opening work in progress on 1 January 2021 was 1,400 kilograms at the following costs:	
From previous process RM4,400	

Material added RM7,000 Conversion cost RM5,600	
Stage of completion for opening work in progress:	Material added: 90% Conversion cost: 70%
At the end of January 2021, there were 1,000 kilograms partly completed units at the following stage of completion:	Material added: 60% Conversion cost: 40%
Actual losses were 400 kilograms which were 890 kilograms lesser than the normal loss. All losses can be sold as scrap for RM1.40 per kilogram.	
At the end of the month, 17,000 kilograms were completed and transferred to finished goods.	
It is the policy of Jane Radzi Sdn. Bhd. to adopt weighted average cost method in valuing the opening work in progress.	

**Required:**

- a. Prepare Roasting Process Account. (6 marks)
  - b. Prepare Packaging Process Account with the relevant statements. (20 marks)
  - c. List **FOUR (4)** industries that commonly use the process costing method. (4 marks)
- [30 marks]**



**QUESTION 5**

Awesome Pharmaceutical Sdn Bhd is a manufacturing company producing medical devices, including Personal Protective Equipment (PPE). Due to the pandemic Covid-19 global outbreak, the company is considering to increase their production for PPE.

The following data relates to the production of the company for the month of December 2022.

Variable cost per unit of PPE:

	<b>RM</b>
Direct material	10.00
Direct labour	5.00
Production overhead	3.00

Fixed cost per month:

	<b>RM</b>
Production overhead	70,000
Administrative overhead	45,000

The fixed production overhead absorption rate is determined based on normal production capacity of 20,000 units per month. Actual units produced during the month were 25,000. There were 1,000 units of finished goods in store on 30 November 2022. Due to uncertainties in the demand of the PPE in future, the company has tripled the stock level at the end of December 2022. The selling price was at RM25 per unit. Variable selling and distribution overhead is 2% from total sales value for the month. Total fixed selling and distribution overhead for a year is RM210,000.

**Required:**

a. Prepare the Statement of Profit or Loss for the month of December 2022 for Awesome Pharmaceutical Sdn Bhd using:

- i. Marginal costing approach
- ii. Absorption costing approach

(15 marks)

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

-----(2 marks)

c. Explain **THREE (3)** advantages of marginal costing approach.

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(3 marks)

**[20 marks]**

**END OF QUESTION PAPER**



