



FINAL EXAMINATION
MARCH 2024

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| COURSE TITLE | MANAGEMENT ACCOUNTING |
| COURSE CODE | AACT1233 |
| DATE/DAY | 19 JUNE 2024 / WEDNESDAY |
| TIME/DURATION | 09:00 AM - 12:00 PM / 03 Hour(s) 00 Minute(s) |

INSTRUCTIONS TO CANDIDATES :

1. Please read the instruction under each section carefully.
2. Candidates are reminded not to bring into examination hall/room any form of written materials or electronic gadget except for stationery that is permitted by the Invigilator.
3. Students who are caught breaching the Examination Rules and Regulation will be charged with an academic dishonesty and if found guilty of the offence, the maximum penalty is expulsion from the University.

(This Question Paper consists of 5 Printed Pages including front page)

*****DO NOT OPEN THE QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO*****

This question paper consists of FOUR (4) questions. Answer ALL questions in the answer booklet provided. [75 MARKS]

QUESTION 1 (20 Marks)

99 Super Cake produces a product and operates a standard costing system. The following information was prepared for the month of December.

| | Standard | Cost per unit (RM) |
|---------------------------------------|----------|--------------------|
| Direct labour: | | |
| 2 hours at RM4 per hour | | 8.00 |
| Direct Material: | | |
| 2 kg at RM3 per kg | | 6.00 |
| Overhead: | | |
| Fixed – 2 hours at RM2.00 per hour | | 4.00 |
| Variable – 2 hours at RM2.50 per hour | | 5.00 |
| | | <hr/> |
| | | 23.00 |
| | | <hr/> |

The budgeted production for December was 20,000 units.

Actual for December

Production: 21,000 units
Direct labour 40,000 hours paid at RM4.50 per hour.
Direct material 43,000 kg used at RM2.80 per kg
Overhead Fixed – RM83,000
Variable – RM100,000

Required:

- (i) Calculate the direct material price and usage variance. (4 marks)
- (ii) Calculate the direct labour rate and efficiency variance. (4 marks)
- (iii) Calculate the variable overhead expenditure and efficiency variance. (4 marks)
- (iv) Calculate the fixed overhead expenditure, volume, efficiency and capacity variance. (8 marks)

QUESTION 2

(20 Marks)

Maclear Sdn Bhd is in the process of preparing its functional budget for the 4 months ending 30 April 2024. The budget committee has derived the forecasts sales below for the six months ending 30 June 2024:

| Month | Jan | Feb | Mar | Apr | May | Jun |
|--------------|-------|-------|-------|-------|-------|-------|
| Sales volume | 5,500 | 5,600 | 5,800 | 6,000 | 4,800 | 4,000 |

You are given the following information:

1. The selling price in November 2023 was RM12 per unit and this is to be increased to RM14 per unit in April 2024.
2. Production is planned such that closing inventories of finished goods in each month represents 40% of the following month's sales.
3. Material Y is used in the manufacture of finished goods. Each finished product uses 0.5kg (at RM4 per kg) of Materials Y.
4. Materials are purchased such that 50% of this month's production requirement is kept as closing inventories each month.
5. Closing inventories as of 31 December 2023 is as follows:

Finished good 2,400 units
Material Y 3,000 kgs

Required:

Prepare the following for each of the 4 months ending 30th April 2024.

- (a) Sales budget (in units and RM) (4 marks)
- (b) Production budget (in units) (8 marks)
- (c) Material Y usage budget (in kg) (4 marks)
- (d) Material Y purchases budget (in kg and RM) (4 marks)

QUESTION 3

(15 Marks)

Rosewood company sells wooden carvings for RM300 each. The direct materials cost per unit is RM160 and the direct labor is 2 hours at a rate of RM26 per hour. Variable manufacturing overhead is applied based on labor hours at a rate of RM36 per hour and fixed manufacturing overhead per month is RM12,600.

Required:

- (a) What is the contribution margin per wooden carving?
(2 marks)
- (b) How many units must Rosewood sell to breakeven?
(2 marks)
- (c) How many wooden carvings must be sold to earn a profit of RM8,200?
(3 marks)
- (d) What is the margin of safety percentage if actual sales for the month is 1,400 units?
(3 marks)
- (e) If the selling price revised to RM350 as the material cost increased by 25% in February, what would the target sales volume to achieve a profit of RM10,000?
(5 marks)

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QUESTION 4

(20 Marks)

Mr. Fred is planning the business activities for the upcoming quarter and has provided the following information and needed your help to prepare a 3-month cash budget ending 31 December 2024.

| | Purchases RM | Sales RM | Admin. Cost RM |
|-----------|-------------------------|---------------------|---------------------------|
| September | 25,000 | 80,000 | 18,000 |
| October | 32,000 | 92,000 | 20,000 |
| November | 36,000 | 100,000 | 24,000 |
| December | 40,000 | 95,000 | 22,000 |

Additional information:

1. It's the normal practice by the supplier to give a month's credit to pay for the inventories purchased.
2. A franchise fee payment is made of RM 10,000 per month.
3. 60% of the sales are for cash, which is eligible for a cash discount of 2%, 35% of the sales are given 1 month's credit. The balance is treated as bad debt.
4. Administration costs exclude salary are paid in the month incurred.
5. Currently there are 2 senior staff with monthly salaries of RM5,000 each and 3 junior staff with monthly salaries of RM2,000 each. Mr. Fred is planning to hire 1 more junior member of staff from November onwards based on the current salary range. The salary is paid at the end of each month.
6. A printing machine costing RM20,000 was purchased in the month of September. A 10% deposit is required during the purchase month and the remaining are paid monthly for 12 months by credit card with an interest rate of 6% per annum. The 1st payment commences from October onwards.
7. A cash balance of RM 15,000 is forecast on 1 October 2024.

Required:

Prepare a cash budget for October, November and December 2024.

*****END OF QUESTION PAPER*****