



FINAL EXAMINATION

COURSE : COST ACCOUNTING TECHNIQUES AND APPLICATIONS

COURSE CODE : PMA2133

DURATION : 2 HOURS

INSTRUCTIONS TO CANDIDATES :

1. This question paper consists of **THREE (3)** questions.
2. Answer ALL questions.
3. Please check to make sure that this examination pack consists of :
 - i. The Question Paper
 - ii. An Answer Booklet
4. Do not bring any material into the examination hall unless permission is given by the invigilator.
5. Please write your answer using ball-point pen.

MYKAD NO : _____

ID. NO. : _____

LECTURER : _____

SECTION : _____

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

The question paper consists of 04 printed pages

2024/E/PMA2133

MAR2024/E/PMA2133**1. (15 points)**

Bumi Putra Manufacturing consists of two departments, Assembly and Finishing that the product of the company needs to go through in order to become a finished good. The company uses the Weighted Average method of process costing system to calculate costs for its goods. Throughout the process, the department consistently adds materials and incurs conversion costs. At the start of the term, the department's total cost of work-in-progress was RM567,500. Sixty percent (60%) of the total cost is related to materials, with the remaining portion going towards conversion.

According to information obtained from the company's production report, 19,250 units were moved to the following processing department during the time, leaving 20,955 units in production. The material utilized by the company used to cost RM3.80 per kilogram. As the corporation aims to improve the quality of the products it produces, better grade of material was employed throughout the time, costing 12% more than the previous material price. It has been revealed that the Assembly department of the organization utilized 43,300 kilograms of materials during its activity. Forty eight percent (48%) of the entire direct labor cost was spent on overhead. Below is the comprehensive information about direct labor in Assembly department:

- Skilled: 14,600 hours @ RM4.50 per hour
- Semi-skilled: 21,360 hours @ RM2.75 per hour

At the beginning of the period, the partially constructed units had a 35% material and a 25% labor and overhead stage of completion. 7,855 units remained unfinished at the end of the period, with 32% of the materials and 28% of the labor and overhead completed.

Required:

- a. Calculate the cost per equivalent unit. (12 points)
- b. Calculate the cost reconciliation. (3 points)

(Note: Show all the calculations and round off your answer to two decimal points.)

2. (15 points)

Diamond Glows Corporation produces three main perfume products. The company's policy is to apportion the costs prior to the split-off point using Physical Measured method.

Information related to the February's production is as follows:

| Product | Volume (bottle) | Selling price at split off point |
|----------------|----------------------------|---|
| Violet | 32,000 | 20 |
| Daisy | 21,900 | 25 |
| Bluebell | 7,800 | 30 |
| Lilac Diamond | 1,700 | 18 |

Lilac Diamond aromatic extract is incidentally produced from the joint process and requires further processing, incurring a cost of RM3.10 per bottle. It will be sold at a price 40% higher than the price at the split-off point. The total common cost incurred by the company before the split-off point during the month amounted to RM407,770.

Required:

- Calculate the net revenue from by products and balance of joint cost. (3.5 points)
- Calculate the joint cost allocation and profit sales ratio for each joint products using Physical Measure method. (8.5 points)
- Calculate the joint cost allocation using Sales Value at Split-off Point method. (3 points)

(Note: Show all the calculations and round off your answer to two decimal points.)

3. (20 points)

Syarikat Vita Beauty Sdn Bhd is a manufacturer of healthy products which uses natural plants as its ingredients. One of its popular products is known as 'Vita Drink' which is a healthy drink. It is sold in a box that comprises of ten (10) sachets. Each box is sold at RM85.

The production of one box of Vita Drink requires 500 grams of raw materials Z at a cost of RM30 per kg, 500 gram of raw material Y at a cost of RM20 per kg, and 2 hours of direct labour at RM5 per hour. The company's overhead costs consist of the following:

| | |
|---------------------------------|----------------|
| Fixed manufacturing overhead | RM5.00 per box |
| Variable manufacturing overhead | RM2.00 per box |
| Variable selling overhead | RM1 per box |

Other monthly fixed costs of the company are as follows:

| | |
|---------------------------------|----------|
| General administrative expenses | RM15,000 |
| Marketing expenses | RM25,000 |

The following information is available for the month of February regarding the production and sales of Vita Drink:

| | No. of boxes |
|-------------------|--------------|
| Opening inventory | 500 |
| Production | 5,000 |
| Sales | 5,200 |

Required:

- Determine the product cost under variable costing and absorption costing. (3.5 points)
- Prepare an income statement under variable costing and absorption costing. (15 points)
- Prepare a profit reconciliation statement. (1.5 points)

(Note: Show all the calculations and round off your answer to two decimal points.)

END OF QUESTION PAPER