



FINAL EXAMINATION

**COURSE : INTRODUCTION TO COST AND
MANAGEMENT ACCOUNTING**

COURSE CODE : PMA1113

DURATION : 2 HOURS

INSTRUCTION TO CANDIDATES:

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

NO. MYKAD : _____
NO. ID. : _____
LECTURER : _____
SECTION : _____

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

The question paper consists of 05 printed pages

MAR2024/C/PMA1113

1. (18 points)

Husmart Sdn Bhd is a furniture company in Arau, Perlis. For the month of November 2023, the company received an order of 300 units of dining tables from its customers. The company uses a job order costing system and applies a plantwide predetermined overhead rate on the basis of direct labour hours. The estimate manufacturing overhead is RM13,200 and direct labour hour is 160 hours. Given below are the actual costs incurred for job (JJ001):

<u>Direct materials:</u>	
Wood @ RM15 / unit	1,000 units
Steel @ RM10 / unit	800 units
Direct labour @ RM35 / hour	200 hours
Machine hours	300 hours
Period cost:	
Administrative expenses	10% on total production cost.
Selling and distribution expenses	RM560

It is the company policy to markup 20% profit based on total cost in order to determine the selling price.

Required:

- Determine the predetermined overhead rate for Husmart Sdn Bhd. (2 points)
- Prepare a Job Cost Card for Job JJ001 by showing the details of the total cost and selling price per unit. (13 points)
- Determine the amount of underapplied or overapplied overheads for based on the actual data provided below. (3 points)

Manufacturing overhead	
Indirect material	RM7,000
Indirect labour	RM5,200
Direct labour hours	250 hours

2. (16 points)

The Ruiz just launched a product called Snip Bear this year. The following information are available for January 2024:

	RM
Direct Material	25 per unit
Direct Labour	18 per unit
Manufacturing Overhead - Variable	7 per unit
Manufacturing Overhead - Fixed	22,400
Selling Expenses - Variable	2.50 per unit
Selling Expenses - Fixed	20,000

There was no beginning inventory for the month. Snip Bear manage to sell 2,000 unit at RM125 per unit and produce 2,800 units. Madam Arissa who is the new manager curious in applying costing system in determining the product cost. She asked you as her new cost accountant to show the different in operating income using both absorption and marginal costing system

Required:

- Compute unit product cost using Absorption and Marginal Costing approach. (3 points)
 - Prepare an income statement using both the absorption and marginal costing approach. (11.5 points)
 - Prepare a profit reconciliation statement for the year. (1.5 points)
- (Note: Show all calculations and round up your answers to two decimal points)

3. (16 points)

UniAsia Sdn. Bhd. produces various types of bags in Seremban. It uses a standard costing system and the company has developed the following standards for one of its products namely UniGold:

Standard cost for one unit of UniGold:

Direct material	0.5 meter @ RM 8 per meter
Direct labour	3 hours @ RM 20 per hour
Variable overhead	2.5 hours @ RM6 per hour

At the end of February, the company's actual production for UniGold was 1,600 units. The following activities occurred during the month:

Actual cost for one unit of UniGold:

Direct material purchased	800 meters costing RM8,000
Direct material used	745 meters
Direct labour	4,200 hours costing RM88,200
Variable overhead (based on direct labour hours)	RM25,000

Required:

Calculate the following variances and indicate whether it is favorable or unfavorable.

- Direct material price variance and usage variance. (6 points)
- Direct labor rate variance and efficiency variance. (5 points)
- Variable overhead expenditure variance and overhead efficiency variance. (5 points)

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

END OF QUESTION PAPER

APPENDIX 1

VARIANCE ANALYSIS FORMULA

COST VARIANCE

- a. $MPV = (AP - SP) \times AQ$
- b. $MUV = (AQ - SQ) \times SP$
- c. $DLRV = (AR - SR) \times AH$
- d. $DLEV = (AH - SH) \times SR$
- e. $VOSV = (AVOR - SVOR) \times AH$
- f. $VOEV = (AH - SH) \times SVOR$