KPTM
KOLEJ POLY-TECH MARA

FINAL EXAMINATION

COURSE	**: INTRODUCTION TO COST ACCOUNTING**
COURSE CODE	**: PMA1123**
DURATION	**: 2 HOURS**

INSTRUCTION TO CANDIDATES:

1. This question paper consists of **THREE (3)** questions.

2. Answer ALL questions 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

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

1. **(19 points)**

BestPac Sdn Bhd sells two types of products: SNAP and STAP. The company carefully tracks its inventory using FIFO (First-In, First-Out) and Weighted Average methods. Product SNAP is managed using the FIFO method, while Product STAP is using the Weighted Average method to even out costs. In July, several important transactions took place.

PRODUCT: **SNAP**

Date	
July 1	Beginning inventory of 100 units at a total of RM500.
5	Purchased 200 units at a cost of RM1200.
10	Issued 150 units.
15	Purchased 150 units at RM7 each.
20	Returned 50 units to the supplier for an item purchased on 15 July due to the wrong product type.
25	Purchased 100 units at RM8 each.
31	Issued 50 units.

PRODUCT: **STAP**

Date	
July 1	Beginning inventory of 50 units at RM200 each.
2	Purchased 2 units at RM210 each.
4	Issued 15 units.
17	Purchased 10 units at RM240 each.
21	Issued 20 units.
26	Purchased 40 units at RM250 each.
31	Issued 23 units.

Required:

a. Prepare the store ledger card for SNAP using FIFO method and determine the closing stock value at the end of July. (10.5 points)

b. Prepare the store ledger card for STAP using weighted average method and determine closing stock value at the end of July. (8.5 points)

(Note: Show all the calculations and round off the answers to two decimal points)

2. **(11 points)**

Comfort Max Manufacturing produces sweater. It operates two production departments: Machining and Assembly; and two service departments: Maintenance and Personnel.

The following information is related to the months of July 2024:

	Production Departments		Service Departments	
	Machining	**Assembly**	**Maintenance**	**Personnel**
Indirect material (RM)	25,000	14,000	-	-
Indirect labour (RM)	8,000	6,000	5,000	1,000
Area occupied (sq. feet)	12,500	6,000	1,000	500
No of employees	15	20	8	7
Personnel Department re-apportionment ratio	30	50	20	-
Maintenance hour	16,000	3,800	-	-
Machine hour	32,000	8,000	-	-
Direct labour hour	15,000	20,000	-	-

Other overhead cost	RM
Rental of building	65,000
Supervisor's salaries	17,000

Overhead allocated to services department are re-apportioned to the production department using step-down method. Production overhead are absorbed based on machine hour for Machining Department and direct labour hour for Assembly department.

Required:

a. Prepare overhead analysis sheet for the year ended 31 July 2024 showing clearly the basis of apportionment. (9 points)

b. Calculate the overhead absorption rate (OAR) for each production department. (2 points)

(Note: Show all the calculations and round off the answers to two decimal points)

3. **(20 Points)**

Lex Grant Company uses a job order cost system in each of its two manufacturing departments in producing goody bags. Manufacturing overhead is applied to jobs on the basis of direct labour hours in Department A and machine hours in Department B. In establishing the predetermined overhead rates for 2024, the following estimates were made for the year:

	Department A	Department B
Manufacturing overhead	RM210,000	RM140,000
Direct labour hours	10,000	12,000
Machine hours	20,000	14,000

In June 2024, the company received a special order named Job K2 from Jauhari Enterprise. Below are the data relating to the job:

	Department A	Department B
Direct material used	Material Bb 620 units @ RM65 per unit	Material Mm 400 units @ RM80 per unit Material Gg 200 units @ RM20 per unit
Direct labour rate: Skilled Semi-skilled	RM100/hour RM82/hour	RM110/hour RM84/hour
Direct labour hours (1/4 hours are for semi-skilled)	800 hours	840 hours
Machine hours: 2/3 for Department A 1/3 for Department B	6,000 hours	

The company hired a special designer and bought a special machine in order to produce Job K2, with a cost of RM12,000 and RM20,000, respectively. Selling and distribution costs was 10% of the total production cost while general administrative costs totaled RM10,400. A total of 5,000 units of Job K2 have been produced and profit is decided at 30% of the total cost.

Required:

a. Calculate the predetermined overhead rate for each department. (2 points)

b. Prepare a job cost sheet for Job K2 showing clearly prime cost, production cost, total cost, cost per unit, profit per unit and selling price per unit for the job. (18 points)

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

END OF QUESTION PAPER