UNIVERSITI POLY-TECH MALAYSIA
UPTM

FINAL EXAMINATION

BACHELOR OF ACCOUNTANCY (HONOURS)

COURSE	:	**MANAGEMENT ACCOUNTING 1**
COURSE CODE	:	**MAC2214**
DURATION	:	**3 HOURS**

INSTRUCTIONS TO CANDIDATES:

1. This question paper consists of **FOUR (4)** 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 material into the examination hall. The use of calculator is allowed.
5. Please write your answer using permanent ink.

MYKAD/ PASSPORT NO : ______________________

ID. NO. : ______________________

LECTURER : ______________________

SECTION : ______________________

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

This question paper consists of 6 printed pages including the front page

QUESTION 1

Smart Casing Sdn. Bhd. (Smart Casing) is a company located in Gong Badak industrial area in Terengganu. It is involved in manufacturing various types of leather casing for smartphones and tablets.

The following data has been extracted from the books of Smart Casing for the month of March 2026:

i. Sales and production units are 33,000 and 35,000 respectively.

ii. Selling price per unit is set at RM20.00. Whereas direct material, direct labour and variable production overhead per unit are RM4.20, RM2.60 and RM1.20 respectively.

iii. Fixed costs per month are as follows:

	RM
Production overhead	70,000
Selling expenses	22,000
Administrative expenses	29,000

iv. The fixed production overhead cost is absorbed based on production units.

v. The variable selling expenses is 2% of sales revenues.

vi. Opening inventory on 1 March 2026 is 2,000 units.

Required:

a. Compute the product cost under Variable and Absorption costing.

(2 marks)

b. Prepare the Income Statement for the month of March 2026 based on the following approaches:

   i. Variable costing.

   ii. Absorption costing.

(8 marks)

(Total: 10 marks)

QUESTION 2

The following information relates to the two types of prayer mats; Nilam Al-Qaseh and Zamrud Sajjadah, and the Activity-Based Costing (ABC) system of Exclusive Solat Enterprise for the forthcoming period:

	Nilam Al-Qaseh	**Zamrud Sajjadah**
Sales and production units	60,000	42,000
Selling price	RM450.00	RM650.00
Prime cost	RM180.00	RM260.00

Activities	Overhead Cost (RM)	Cost Driver	Quantity for the period
Machine services	960,000	Machine hours	60,000 machine hours
Assembly services	750,000	Direct labour hours	50,000 direct labour hours
Set-up cost	481,600	Number of set-ups	28,000 set-ups
Order processing	399,000	Customer orders	35,000 orders
Purchasing	1,282,500	Supplier orders	9,500 orders

Estimated use of each product:

	Nilam Al-Qaseh	Zamrud Sajjadah
Machine hours	25,000	35,000
Direct labour hours	22,000	28,000
Number of set-ups	16,000	12,000
Customer orders	20,000	15,000
Supplier orders	4,000	5,500
Direct labour hour per unit	2	4

Required:

a. Compute the followings:

i. The activity cost driver rates for each activity.

(2½ marks)

ii. The production overhead and product cost per unit using the Activity-Based Costing (ABC) and traditional systems for each Nilam Al-Qaseh and Zamrud Sajjadah. **(ALL answers should be rounded up to TWO decimal places)**

(11½ marks)

iii. Total production costs and profits for each product based on the Traditional and ABC systems.

(4 marks)

b. Comment on the results of total profits obtained using ABC and traditional absorption costing systems.

(3 marks)

c. Explain **ONE (1)** advantage and **ONE (1)** limitation of using an ABC system.

(4 marks)

(Total: 25 marks)

QUESTION 3

PowerTech Electronics is a company that produces and sells power banks products. The company started its business in 2010 as a small enterprise in Johor. Over the years, it has expanded its operations significantly. Currently, it has become one of the largest producers and sellers of power banks in Malaysia.

Information about related costs for the year 2025 are as follows:

Total fixed costs	**RM**	**Variable cost per unit**	**RM**
Production overhead	4,140,000	Direct material - 03	9.00
Factory insurance	70,000	Direct material - 88	2.40
Administrative	1,200,000	Direct material - 44	1.60
Selling and distribution	800,000	Direct labour - Assembly	3.80
Depreciation	360,000	Direct labour - Finishing	2.20
		Staff's sales commissions	4.10
		Production overhead	6.90

The selling price and the current sales units are RM180.00 and 98,000 units respectively.

Required:

a. Compute the unit contribution margin (UCM).
(4 marks)

b. Compute the break-even sales and margin of safety (in units and value) and net profit for the year 2025.
(8 marks)

c. In 2026, the top management of PowerTech Electronics plans to improve the quality of power banks. This is in line with the mission of the company to achieve its competitive advantage and sustainability goals. With this plan, all direct material costs and direct labour costs will reduce by 20% each and administrative costs will reduce by RM70,000.

   Compute the followings for the management new plans in 2026:

   i. The new break-even sales and margin of safety (in units and value).
   (7 marks)

   ii. Expected net profit or loss if the number of power banks to be sold is 120,000 units.
   (2 marks)

   (ALL answers should be rounded up to the nearest figures)

d. Explain **TWO (2)** weaknesses of Cost-Volume Profit (CVP) analysis.
(4 marks)

(Total: 25 marks)

QUESTION 4

Sweet Delight Bakery Sdn. Bhd. is a manufacturing company that produces high-quality cakes and distributes its products throughout Malaysia. The three main products; Chocolate Cake, Cheese Cake, and Red Velvet Cake are highly demanded by customers, and their stocks are usually replenished in the market within less than a week. These cakes are packed in boxes for distribution.

Nevertheless, last month, the management encountered a problem with the production machine due to the breakdown of several spare parts. As a result, the machine can only be operated for 800,000 hours. In view of this situation, the General Manager has appointed you to present the possible profits that could be generated by utilising the limited capacity of the machine.

Below are data provided by the costing department:

	Chocolate Cake	**Cheese Cake**	**Red Velvet Cake**
Machine hours per box	6	4	5
	RM	**RM**	**RM**
Selling price	90.00	85.00	70.00
Unit variable cost (UVC):			
Direct materials	34.00	31.00	28.00
Direct labour	6.20	6.70	5.40
Direct expenses	0.80	0.30	0.60
Variable production overheads	2.50	1.80	1.20
Sales units	64,000	58,000	50,000

Total fixed costs incurred are as follows:

	RM
Fixed production overheads	2,500,600
Fixed selling	870,900
Fixed marketing	650,100
Fixed distribution	360,200
Fixed finance	64,700

Required:

a. Prepare the profit statement for Chocolate Cake, Cheese Cake and Red Velvet Cake. **(Show clearly all workings: Determination of shortage; ranking schedule; and the best production mix)**

(32 marks)

b. Discuss any **TWO (2)** stages in decision making.

(4 marks)

c. Explain **TWO (2)** characteristics of the long-term decision making.

(4 marks)

(Total: 40 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER