UNIVERSITI POLY-TECH MALAYSIA
UPTM

# FINAL EXAMINATION

## BACHELOR OF ACCOUNTANCY (HONOURS)

| | | |
|---|---|---|
| **COURSE** | : | **INTRODUCTION TO COST AND MANAGEMENT ACCOUNTING** |
| **COURSE CODE** | : | **MAC2143** |
| **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 5 printed pages including the front page*

## QUESTION 1

Ayames Sdn Bhd business selling frozen chicken nuggets for the local market. It produces chicken nuggets, and the following data is related for the year 2026:

| | RM |
|---|---|
| **Variable cost per unit:** | |
| Direct material | 7.00 |
| Direct labour | 3.00 |
| Variable production overhead | 3.00 |
| Variable selling and distribution overhead | 2.00 |

| | RM |
|---|---|
| **Total annual fixed costs:** | |
| Fixed production overhead | 100,800 |
| Fixed selling and distribution overhead | 56,000 |
| Fixed administration overhead | 12,040 |

The selling price for one packet of nugget is RM25.00. Total sales units for the year 2026 is 40,000 packets.

**Required:**

a. Using the above information, compute the following:
   i. The total variable cost per packet.
   ii. The break-even point (in packets and RM).
   iii. The margin of safety (in packets and RM).
   iv. Net profit for 40,000 packets.

(11 marks)

b. The company plans to launch Sukiya chicken nuggets next year. The selling price is RM28.00 per unit. All existing fixed costs of the company will remain unchanged, except for the additional for each fixed production overhead of RM6,000 and fixed selling and distribution overhead is RM4,360. The company targets a profit of RM320,000. Compared to normal chicken nuggets, the product has an additional direct material cost of RM2 per unit, direct labour cost of RM1.00 per unit, and variable production overhead cost of RM2.00 per unit.

   Compute the units to be sold for new Sukiya Chicken nugget.

(7 marks)

c. Explain the definition of **'target selling price'**.

(2 marks)

(Total: 20 marks)

## QUESTION 2

Sinarnau Sdn. Bhd. is in the process of preparing the budget for the third quarter of year 2026. The following information has been compiled:

i. Sales and purchases information:

| | June | July | August | September |
|---|---|---|---|---|
| Sales units | 6,000 | 7,200 | 8,400 | 9,600 |
| Material (kilograms) | 6,000 | 6,600 | 7,200 | 7,800 |

ii. The selling price is RM30.00 per unit. 65% of total sales are cash sales and remaining are settled on the following month.

iii. Purchases of materials will be made on credit, and payment will be made one month after purchases. The material cost is RM10.00 per kilogram.

iv. Five workers have been employed, and each worker will be paid for RM2,500 per month on the last day of each month.

v. Rental revenue of RM3,000 will be received at the end of each month.

vi. Fixed overhead costs are expected to be RM65,000 per month, which include depreciation of RM10,000. The overhead costs will be paid within the month incurred.

vii. The company has decided to replace old office furniture which was bought eight years ago. The new furniture will be purchased in July 2026 at a cost of RM45,000. The supplier has agreed to allow the company to pay in three equal monthly instalments, starting from July 2026. The old furniture will be disposed in September 2026 for RM5,000.

viii. The opening cash balance of Sinarnau Sdn Bhd on 1st July 2026 is expected to be RM55,000.

**Required:**

a. Prepare a cash budget for the third quarter of year 2026 for Sinarnau Sdn Bhd. **(Students are required to show ALL workings clearly)**

(26 marks)

b. Describe **TWO (2)** compositions of budget committee.

(4 marks)

(Total: 30 marks)

## QUESTION 3

Canteqkau manufactures "Kebaya dress" for the Malaysian market. It is a single product. 15,500 of kebaya are planned to be produced and sold. The standard costs of materials and labour for production are as follows:

| Items | Costs |
|---|---|
| Direct material @ 4 meters of Vietnam silk | RM32.00 per piece |
| Direct labour cost @ 2 hours | RM8.00 per piece |

Standard variable production overhead cost is RM4.00 per kebaya (based on direct labour hours). Fixed overhead is budgeted at RM16,000 per month.

In May 2026, the following data pertain to operations:

- Actual production and sales units were 16,300 pieces.
- Direct materials purchased: 66,830 meters costing RM1,938,070.
- Direct labour used: 30,600 hours costing RM183,600.
- Variable production overhead costs incurred: RM114,000.
- Fixed overhead costs incurred: RM18,000 which fixed overhead rate were RM1.20 per piece.

**Required:**

a. Compute the following variances:

i. Material Price and Usage variances

ii. Direct Labour Rate and Efficiency variances.

iii. Variable Production Overhead Expenditure and Efficiency variances.

v. Fixed Overhead Expenditure and Volume variances.

(18 marks)

b. Explain the term **'budget'**.

(2 marks)

(Total: 20 marks)

## QUESTION 4

Xiau Mee Sdn. Bhd. is a company involved in the manufacturing of three types of electric floor mops, namely Steam Mop, Robot Mop and Spray Mop. Direct material Cleaning Pad is used in all three mop products.

The following information relates to the production of electric floor mops for the year 2026:

| | **Steam Mop** | **Robot Mop** | **Spray Mop** |
|---|---|---|---|
| Direct material used (meters) | 6 | 4 | 8 |
| | | | |
| Cost per unit: | **RM** | **RM** | **RM** |
| Direct material – Microfiber and electronic parts per unit | 180 | 280 | 134 |
| Direct labour per unit | 30 | 42 | 62 |
| Variable overhead per unit | 10 | 30 | 24 |
| | | | |
| Selling price per unit | 580 | 720 | 300 |
| | | | |
| Budgeted sales (units) | 2,300 | 2,000 | 2,500 |

The fixed production overhead and fixed selling and administration overhead are estimated at RM70,000 and RM44,000 per month respectively.

The direct material is sourced from two suppliers. However, one supplier is unable to deliver the material on time resulting in a total available supply of 35,000 meters.

**Required:**

a. Recommend the optimal production mix to management by preparing the profit statement for each product.
**(Show clearly all workings: Determination of shortage; ranking schedule; and the best production mix)**

(26 marks)

b. Discuss **TWO (2)** types of scarce resources in business.

(4 marks)

(Total: 30 marks)

**(TOTAL: 100 MARKS)**

**END OF QUESTION PAPER**