FINAL EXAMINATION

BACHELOR OF ACCOUNTANCY (HONOURS)

COURSE	:	**STRATEGIC MANAGEMENT ACCOUNTING**
COURSE CODE	:	**MAC4163**
DURATION	:	**3 HOURS**

INSTRUCTIONS 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 material into the examination hall.
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

TechPro Manufacturing Sdn. Bhd. (TechPro) is a Malaysian-based company that produces mid-range smart home devices, including smart lighting systems and security cameras. The company supplies major retail chains and e-commerce platforms across Southeast Asia.

Over the past three years, TechPro has experienced:

- rising raw material costs.
- frequent delays in component delivery.
- increasing product returns due to quality defects.
- margin pressure from competitors offering lower prices.

Currently, TechPro works with over 45 suppliers for electronic components, plastic casings, and packaging materials. Procurement decisions have traditionally been based on lowest purchase price.

However, recent operational disruptions have forced management to reconsider its approach. The (CEO) now proposes implementing a formal Supplier Relationship Management (SRM) strategy to build long-term partnerships with selected key suppliers.

Required:

a. Describe **THREE (3)** ways how Supplier Relationship Management could improved TechPro's competitive position.

(12 marks)

b. Explain **TWO (2)** reasons why relaying solely on lowest purchase price may lead to ineffective decision making.

(7 marks)

c. Activity-Based Management (ABM) is a strategic management approach that focuses on improving organizational performance by managing and optimizing activities rather than merely controlling costs at an aggregate level. Built upon the principles of Activity-Based Costing (ABC), ABM shifts managerial attention to the activities that consume resources and drive costs, enabling organizations to understand "why" costs are incurred and "how" value is created.

Describe **TWO (2)** advantages and **TWO (2)** disadvantages of each of A B M .

(12 marks)

d. Discuss the Functional Analysis System Technique (FAST) and Functional Performance Specification Technique (FPS).

(4 marks)

(Total: 35 marks)

QUESTION 2

Eikorina Electronics Sdn. Bhd. (Eikorina Electronics) manufactures mid-range wireless earbuds for the Southeast Asian market. The company operates in a highly competitive industry where selling prices are mostly determined by market competition.

Last year, Eikorina Electronics introduced a new product called EikoX. The product has now reached the maturity stage of its life cycle. Sales are stable, but competition has increased. Competitors are offering similar products at lower prices, and selling prices are expected to decrease by 8% next year. Eikorina Electronics cannot easily increase prices, and management does not want to reduce product quality or remove important features. Therefore, the company needs to find ways to reduce production costs without affecting quality.

An internal review found several small inefficiencies in the production process, such as material wastage, machine downtime, minor defects that require rework, and waiting time between production stages. Although these problems are not major individually, they increase overall production costs.

Currently, performance is measured using standard costing and variance analysis. However, management believes this approach focuses too much on short-term cost control. To improve long-term profitability, Eikorina Electronics plans to implement Kaizen Costing, which focuses on continuous and gradual cost reduction during the manufacturing stage. Employees will be encouraged to suggest improvements, reduce waste, and improve efficiency.

Some managers support the idea, but others are unsure whether small improvements can significantly reduce costs. Eikorina Electronics must decide whether Kaizen Costing is the right strategy to maintain profitability in a competitive market.

Required:

a. Explain **TWO (2)** elements of Kaizen Costing.

(4 marks)

b. Justify **FOUR (4)** reasons why the Kaizen Costing is particularly suitable for products in the maturity stage of EikoX life cycle.

(16 marks)

c. Evaluate **TWO (2)** challenges of behavioural and organisational that Eikorina Electronics may face in implementing the Kaizen Costing successfully.

(8 marks)

d. ISO 9000:2015 provides the fundamental concepts, principles, and vocabulary for Quality Management Systems (QMS), acting as a foundation for ISO 9001:2015 certification. It focuses on seven key principles to ensure consistent, high-quality products or services and enhanced performance.

Describe any **TWO (2)** principles of quality management that can be implemented by Eikorina Electronics to sustain the quality management system (QMS) for the company.

(7 marks)

(Total: 35 marks)

QUESTION 3

MammaMia Pasta is an Italian fast food restaurant that specializes in high quality, moderately priced authentic Italian pasta dishes and pizzas. The restaurant has recently decided to implement a balanced scorecard approach and has established the following relevant goals for each perspective.

Perspectives	Goals
Customer perspective	• To increase the number of new and returning customers. • To reduce the percentage of customers complaints.
Internal business process	• To reduce the time taken between taking a customer's order and delivering the meal to the customer. • To reduce staff turnover.
Innovation and learning	• To increase the proportion of revenue from new dishes. • To increase the percentage on training time for staff.
Financial	• To increase sales per customer. • To increase gross profit margin.

The following information is also available for the year just ended and for the previous year.

	2024	2025
Total customers	11,600	12,000
• New customers	4,400	3,750
• Existing customers	7,200	8,250
Number of customer complaints	464	840
Time between taking order and customer receiving meal	4 mins	13 mins
Percentage of staff turnover	12%	40%
Percentage of staff training hours	5%	2%
Revenues	RM110,000	RM132,000
• New dishes	RM22,000	RM39,600
• Existing dishes	RM88,000	RM92,400
Gross Profit	RM22,000	RM30,360

Required:

a. Describe **TWO (2)** benefits of performance measurement for an organization.
(4 marks)

b. Using appropriate measure, justify whether or not MammaMia Pasta has achieved its goals.
(14 marks)

c. Based on MammaMia Pasta case study above, recommend **TWO (2)** strategic initiatives for any **TWO (2)** unachieved goals.
(12 marks)

(Total: 30 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER