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 : ______________________

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This question paper consists of 4 printed pages including the front page

QUESTION 1

Value Chain Analysis is a strategic framework introduced by Michael Porter to help businesses identify and examine areas where they can create competitive advantages by optimizing their internal and external activities. It involves breaking down the entire process of delivering a product or service into distinct activities, allowing companies to pinpoint cost-saving opportunities, improve efficiency, and enhance customer value. Michael Porter's Value Chain model divides these activities into primary and support functions (secondary activities) that contribute to value creation.

Required:

a. Explain **FIVE (5)** primary activities and **ONE (1)** secondary activity based on Michael Porter's Value Chain model.

(19 marks)

b. Suppliers and customers play a crucial role in the value chain, directly influencing an organization's ability to create value and sustain a competitive advantage. Strong supplier relationships and understanding customer needs and preferences can differentiate themselves in the market, ultimately achieving long-term success.
Describe **TWO (2)** benefits of each of Supplier Relationship Management (SRM) and Customers Relationship Management (CRM).

(12 marks)

c. Distinguish between **Customer Retention** and **Customer Extension.**

(4 marks)

(Total: 35 marks)

QUESTION 2

Elite Vendor Supreme, a fast-growing company specializing in consumer gadgets, launched its latest smartphone model, the i-Pro. Due to high market demand and intense competition, the management decided to accelerate production without implementing a Quality Assurance (QA) system to refine processes or a Quality Control (QC) system to inspect final products. Instead, they relied on their existing production methods and assumed that skilled workers would naturally produce high-quality devices. Unfortunately, those issues were faced by the company after launching the product to the market:

i. **Defective components and production errors.**
Without a QA process, there were no standardized procedures or supplier quality checks. As a result, many low-quality materials made their way into production. Some screens were prone to cracking under minor pressure, and internal batteries had inconsistencies, leading to device overheating and short circuits.

ii. **High product failure rate, reputational damage and loss of customer trust.**
Since QC inspections were skipped, defective phones were not detected before shipment. Within a month of launch, over 30% of customers reported issues such as unresponsive touchscreens, battery failures, and software crashes. This led to a high volume of customer complaints and product returns. Major retailers stopped stocking the i-Pro, and the company's brand reputation suffered significantly. Without a solid QA and QC system, the company failed to meet customer expectations, causing long-term damage to its credibility.

iii. **Financial losses and increased costs.**
The high return rate forced Elite Vendor Supreme to issue refunds and replacements, leading to millions in unexpected expenses. The company also had to halt production to investigate the quality issues, causing significant revenue losses.

Required:

a. Distinguish between Quality Assurance and Quality Control.
(4 marks)

b. Recommend **ONE (1)** QA solution and **ONE (1)** QC solution for each issue.
(ALL answer should be related to the business activities of Elite Vendor Supreme)
(18 marks)

c. Describe **THREE (3)** systematic approaches of quality practices that can be implemented by Elite Vendor Supreme to sustain the quality management system (QMS) for the company.
(13 marks)

(Total: 35 marks)

QUESTION 3

Glemz Boutique, a once-prominent fashion and textile company, specialized in producing affordable yet stylish clothing for men, women, and children. The company gained popularity due to its cost-effective production model and rapid supply chain operations, allowing it to compete in the fast-fashion industry. However, Glemz Boutique's leadership relied solely on traditional performance measurement methods, focusing only on financial indicators such as quarterly profits, return on investment (ROI), and production cost reduction. While these financial metrics initially drove profitability, they also led to severe business challenges that threatened the company's long-term survival, including declining product quality, reputational damage, and loss of customer trust.

As Glemz Boutique began facing mounting customer complaints, declining sales, and increasing employee turnover, the company's top management realized that their traditional performance measurement system failed to capture key aspects of business sustainability. To address the crisis, they hired a specialized strategic management team to conduct a comprehensive business review and recommend solutions. After analyzing the root causes of Glemz Boutique's decline, the team proposed implementing the Balanced Scorecard framework to ensure that performance measurement was aligned with long-term strategic goals.

Required:

a. Describe **TWO (2)** weaknesses of traditional performance measurement method.
(4 marks)

b. Recommend a Balanced Scorecard framework for Glemz Boutique. Explain the answer in table format below:

Perspective	Strategic Objective	Performance Measure	Strategic Initiatives

(Student is required to choose TWO (2) strategic objectives for each perspective and ONE (1) performance measure and TWO (2) strategic initiatives for each strategic objective)

(26 marks)
(Total: 30 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER