FINAL EXAMINATION

DIPLOMA OF ACCOUNTANCY

COURSE	:	**COST ACCOUNTING**
COURSE CODE	:	**MAC1183/MAC1113**
DURATION	:	**2 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. 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

The following transactions relate to the purchases and issues of mangoes for the production of mango pure juice by Drinkoo Sdn. Bhd. for the month of April 2026.

The opening stock of mangoes on 1 March 2026 was 1,600 kilograms which 1,000 kg was bought on 25 February 2026 valued at RM6,000 and remaining balance bought on 28 February 2026 valued at RM3,900.

March	Transactions	Total Value (RM)
3	Purchased 400 kilograms	2,800
6	Purchased 1,200 kilograms	9,000
12	Issued 1,300 kilograms to the production department	–
18	Issued 1,400 kilograms to the production department	–
20	Returned excess 200 kilograms from the production department to the store and recorded at the latest issue price	–
23	Purchased 1,600 kilograms	10,400
28	Issued 1,500 kilograms to the production department	–

A physical stock count on 31 March 2026 showed a balance of 600 kilograms of mangoes.

Required:

a. Prepare the Stores Ledger Card for the month of March 2026 using the First-In First-Out (FIFO) method.

(23 marks)

b. Explain the term **'work in progress inventory'**.

(2 marks)

(Total: 25 marks)

QUESTION 2

The production department of Hapheng Sdn Bhd employs three workers, namely Aiman, Farah, and Hana. Aiman and Farah are paid based on hourly rate, while Hana is paid based on units produced.

Below is the information regarding the three production workers for the second week of April 2026:

Employees	Hours worked	Units produced	Rate
Aiman (skilled)	50	260	RM12.00 per hour
Farah (skilled)	48	220	RM11.00 per hour
Hana (semi-skilled)	46	135	Differential rate per unit: 0 – 60 = RM1.50 61 – 120 = RM3.50 121 – 180 = RM5.50 181 and above = RM8.50

Additional information:

1. The normal working hours per week is 40 hours.
2. The overtime is paid at a premium of 40% of the normal hourly rate and only skilled workers is eligible for the overtime.
3. Skilled workers are eligible for individual bonus scheme. Bonus is paid at a rate of RM10.00 per hour.
4. The time allowed to produce each unit of product is 15 minutes.

Required:

a. Compute the gross wage earned for each employee for the first week of April 2026. **(Show clearly the basic wage, overtime pay and bonus earned)**

(29 marks)

b. Explain **THREE (3)** actions to reduce labour turnover.

(6 marks)

(Total: 35 marks)

QUESTION 3

Buroh Manufacturing Sdn Bhd has two production departments: Machining and Assembly, and two service departments: Maintenance and Canteen. The Machining department has been fully operated by machines. The Assembly department employed more labour to complete the job required.

The following are the budgeted overhead costs for the month of March 2026:

Allocated overhead costs	**RM**
Machining	37,500
Assembly	30,000
Maintenance	18,000
Canteen	10,500

Other overhead costs	**RM**
Insurance of machinery	30,000
Factory rent	48,000
Supervision	74,400
Depreciation of machinery	72,000

Additional information:

	Machining	**Assembly**	**Maintenance**	**Canteen**	**Total**
Value of machinery (RM)	30,000	15,000	5,000	–	50,000
Number of employees	50	80	20	–	150
Floor area (sq. metre)	5,000	6,000	3,000	3,000	17,000
Machine hours	75,000	30,000	–	–	105,000
Direct labour hours	12,000	60,000	–	–	72,000
Maintenance hours (%)	50%	50%	–	–	100%

Required:

a. Prepare an Overhead Analysis Sheet by showing clearly the allocation, apportionment, and re-apportionment of the overheads.

(23 marks)

b. Compute the predetermined overhead absorption rates (OAR) for all production departments based on the following:

Machining department = Machine hours
Assembly department = Direct labour hours

(ALL answers must be rounded up to the nearest RM)

(6 marks)

c. The actual data for the month ended is shown as follows:

	Machining	Assembly
Machine hours	79,000 hours	28,000 hours
Direct labour hours	10,000 hours	68,000 hours
Actual overhead costs	RM175,000	RM1,450,000

Compute the over or under absorption of overhead in each of the production department.
(5 marks)

d. Explain the following terms:
i. Primary apportionment.

ii. Allocation of overheads.

(4 marks)

e. State **TWO (2)** characteristics of overhead costs.
(2 marks)

(Total: 40 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER