UNIVERSITI POLY-TECH MALAYSIA
UPTM

FINAL EXAMINATION

DIPLOMA OF ACCOUNTANCY

COURSE	:	COST AND MANAGEMENT ACCOUNTING
COURSE CODE	:	MAC2123/MAC2023
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 6 printed pages including the front page.

QUESTION 1

Sangat Sedap Sdn. Bhd. is a manufacturing company specializing in producing frozen 3-layers of butter cheese bread known as Royal Butter Cheese Bread (RBCB).

Below is the information regarding the profits statements in producing 20,000 boxes of RBCB for the current year ended 31 March 2026:

	RM	RM
Sales		400,000
Less: Production costs:		
Direct material	(80,000)	
Direct labour	(60,000)	
Variable production overhead	(40,000)	
Fixed production overhead	(36,000)	(216,000)
Less: Non-production costs:		
Variable selling and distribution overhead	(20,000)	
Fixed selling and distribution overhead	(24,000)	
Fixed administration overhead	(30,000)	(74,000)
Net profit		**110,000**

Required:

a. Calculate the following:

i. The break-even point (in units and RM).

ii. The margin of safety (in units and RM).

iii. Units to be sold by the company if the desired net profit is to be 15% higher from the current net profit.

(19 marks)

b. The company anticipates a 12% increase in direct material cost per unit and a 10% increase in direct labour cost per unit. In addition, fixed administration overhead are expected to rise by RM2,000.

Calculate the following based on the above changes:

i. The new selling price (targeted profit as per current net profit).

ii. Break-even point (in units and RM).

iii. Margin of safety (in units and RM).

(15 marks)

c. Describe **THREE (3)** limitations of Cost-Volume-Profit analysis.

(6 marks)

(Total: 40 marks)

QUESTION 2

BeuScents Sdn. Bhd. is a medium-sized company specialising in the production of handcrafted perfumes. Among its best-selling items are two types of perfumes, namely Luna, a premium daily wear fragrance, and NoirX, an elegant evening perfume targeted at the luxury market. The company places strong emphasis on quality and exclusivity, sourcing premium essential oils and imported ingredients to ensure a long-lasting scent and premium appeal.

In preparation for the month of June 2026, the management has drawn up its operating budget for both products. The following information has been provided:

Products	**Luna**	**NoirX**
Sales units	8,000 units	5,000 units
Selling price (per unit)	RM120.00	RM180.00
Opening inventory	1,200 units	700 units
Direct material: Essential oils (RM25.00 per ml) Alcohol base (RM10.00 per liter)	 5 ml 0.3 liter	 8 ml 0.5 liter
Direct Labour (RM25.00 per hour)	1.5 hours	2 hours

Additional information:

i. The closing inventory for finished goods is expected to be 1,500 bottles of Luna and 900 bottles of NoirX.

ii. The company maintains a policy of keeping sufficient raw materials in stock. The opening inventory for essential oils is 3,500 ml, and for alcohol base is 2,800 liters. The closing inventory requirement for June 2026 is 3,000 ml of essential oils and 2,500 litres of alcohol base.

Management plans to use this information to develop a comprehensive production and materials plan for the month, aimed at ensuring smooth operations, efficient cost control, and the timely fulfillment of customer orders.

Required:

a. Calculate the following functional budgets for June 2026:

i. Sales budget for Luna and NoirX.

(3 marks)

ii. Production budget for Luna and NoirX.

(8 marks)

iii. Direct material usage and purchases budgets for essential oils and alcohol base.

(10 marks)

iv. Direct labour budget for Luna and NoirX.

(5 marks)

b. Discuss **TWO (2)** importances of a functional budget.

(4 marks)

(Total: 30 marks)

QUESTION 3

Mula Coffee Bar has been experiencing steady growth in its customer base and sales, both within Melaka and from visiting tourists. The management places strong emphasis on accurate budgeting to ensure sufficient liquidity for day-to-day operations and to support smooth business expansion.

At the end of March 2026, the finance department prepared sales and purchase projections for the upcoming months, along with other relevant financial details to be incorporated into the cash budget. This information will be presented to the café's management team for planning and decision-making purposes. The following information has been compiled as of the end of March 2026:

Sales and purchases information:

	May	June	July	August
Sales (RM)	85,000	95,000	105,000	115,000
Purchases (RM)	22,000	24,000	26,000	28,000

Additional information:

i. A discount of 3% is granted on all cash sales as well as to the credit customers who settle their accounts within the month of sale. The sales composition is as follows:
   - 20% of total sales are made in cash,
   - 30% of credit sales are settled in the end month of sales , and
   - The remaining balance of credit sales is collected in the following month.

ii. Purchases of coffee beans, milk, and other essential raw materials are made on credit, with payment settled one month after the purchase date.

iii. Mula Coffee Bar employs a total of five workers, comprising two skilled and three non-skilled workers. Each skilled workers receives a monthly salary of RM3,500, while each of non-skilled worker is paid RM2,500 per month.

iv. Mula Coffee Bar receives a monthly rental income of RM2,500 from an adjoining space leased to a bakery, with payment made at the end of each month.

v. Fixed overhead costs are projected at RM10,000 per month, which include non-cash depreciation of RM3,500. The cash portion of these overheads is paid within the month incurred.

vi. In line with its expansion strategy, Mula Coffee Bar has planned to acquire a new espresso machine in July 2026 at a cost of RM30,000. The supplier has agreed to accept payment in five equal monthly instalments, beginning in July 2026. To partly finance this, the café will dispose of an older coffee grinder in June 2026, expected to generate proceeds of RM4,000.

vii. The opening cash balance Mula Coffee Bar on 1st June 2026 is projected to be RM25,000.

Required:

a. Determine the cash closing balance for the months of June, July and August 2026. **(Students are required to use the cash budget format and show ALL workings clearly).** (26 marks)

b. Explain **TWO (2)** funtions of cash budget. (4 marks)

(Total: 30 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER