UNIVERSITI POLY-TECH MALAYSIA
UPTM

FINAL EXAMINATION

DIPLOMA OF ACCOUNTANCY

COURSE	:	**MANAGEMENT ACCOUNTING**
COURSE CODE	:	**MAC2133/MAC2033**
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

ArdelSkin Sdn. Bhd. produces a highly popular skincare product and plans to launch a new product line, an eye cream called Eye-Creme. The management intends to produce 50,000 units of Eye-Creme in May 2026. However, due to overwhelming demand, the company lacks the production capacity to manufacture such a large quantity.

The marketing and selling department decided to approach suppliers to outsource the production of Eye-Creme. During the research and development process, they identified two potential suppliers, Joseon Beauty and Pera Beauty, each with different cost structures. Both suppliers charge the same transportation and handling costs amounted to RM16,000 and RM6,000 respectively. In addition, Joseon Beauty requires an extra RM1,540 for insurance.

The company plans to order a total of 50,000 units of Eye-Creme from either supplier. The selling price per unit is RM95.00 from Joseon Beauty and RM98.00 from Pera Beauty.

If ArdelSkin Sdn. Bhd. decides to manufacture the Eye-Creme internally, it will have to sacrifice the production of 35,000 units of Natural Serum, which has a selling price of RM78.00 per unit. The production costs per unit for both Eye-Creme and Natural Serum are shown below:

Products	**Eye-Creme**	**Natural Serum**
	RM	**RM**
Direct material – Shea Butter	13.00	11.50
Direct material – Ceramides	16.00	17.00
Direct material – Glycerin	0.40	0.40
Direct labour	4.00	4.00
Variable production overheads	4.50	4.50
Fixed production overheads	2.50	2.50
Variable selling and distribution costs	0.90	0.90
Fixed selling and distribution costs	2.20	2.20

Required:

a. Determine whether ArdelSkin Sdn. Bhd. should continue manufacturing Eye-Creme internally or purchase it from one of the suppliers in May 2026.
(Show ALL relevant workings)

(24 marks)

b. Explain **THREE (3)** benefits that ArdelSkin Sdn. Bhd. could gain if it decides to outsource the production of Eye-Creme from a supplier.

(6 marks)

(Total: 30 marks)

QUESTION 2

Hermus Bhd. is a prominent manufacturer of premium high-end clothing, selling to retail outlets at a standard selling price of RM650.00 per unit. Hermus Bhd. has received an offer from Coacah Stores, a major fashion retailer, to supply 100 units of high-end clothes per month at a price of RM550.00 per unit. An additional cost of RM30.00 per unit will be charged for modification since Coacah Stores plans to use its brand. If this offer is accepted, the production and sales of regular clothes will be reduced by 20 units. Nevertheless, carriage outward of RM10.00 per unit and custom packaging costs of RM25.00 per clothes will be integrated into Coacah Store's order.

The production cost for one unit of clothes for direct material of Cotton, Printing and Wool will be RM100.00, RM20.00 and RM25.00 respectively. Whereas direct labour cost will be RM50.00 and production overhead is RM40.00 (25% is variable cost) per unit of clothes. A sales commission of 10% from standard selling price will be given only if the product is sold to retail outlets.

Required:

a. Decide whether Hermus Bhd. should accept or reject the special order from Coacah Stores.
(Show ALL workings to support your answer)

(24 marks)

b. Discuss **THREE (3)** qualitative factors that the management of Hermus Bhd. should consider before accepting the special order.

(6 marks)

(Total: 30 marks)

QUESTION 3

A. Pokli Berhad manufactures ready-to-eat foods and consistently uses fresh product's quality. The top management of Pokli Berhad is planning to launch a new product called Nasi Impit Premium (NIP) in May 2026. They estimated to produce 50,000 units of NIP in the first launching event. Currently, the company uses the method of full-cost plus 40% markup to determine its selling price.

The following is the total costs of 50,000 units of NIP:

	RM
Direct material	7,000,000
Direct labour – Skilled	2,000,000
Direct labour – Semi-skilled	1,800,000
Variable production overhead cost	1,250,000
Fixed production overhead cost	1,400,000
Administration cost (40% is fixed cost)	1,575,000

Required:

a. Determine the cost and selling price per unit of NIP using the following pricing policies:

i. Current pricing policy.

ii. Variable cost plus 30% margin.

(ALL answers must be rounded up to TWO decimal places)

(13 marks)

b. Recommend to Pokli Berhad on which selling price should be selected based on (a) above.

(3 marks)

c. Describe **TWO (2)** types of market.

(4 marks)

B. Velocity Motor is a well-established electric car manufacturer facing competition from global electronic vehicles (EV) brands. Recently, the company has been focusing on financial measurements to monitor its performance over time. As it moves towards modern performance measurement, the top management of Velocity Motor has decided to shift from relying solely on financial measures to including non-financial measures.

One of the strategies to achieve sustainable growth and remain competitive in EV industries is implementing the Balanced Scorecard approach to track performance in four key areas: Financial, Customer, Internal Business, and Innovative and Learning.

Required:

a. Explain any **TWO (2)** non-financial measures that Velocity Motor can implement to achieve the objective.

(ALL answers should be related to Velocity Motor)

(8 marks)

b. Appraise **TWO (2)** weaknesses of using only financial measures for Velocity Motor.

(8 marks)

c. Contrast between profitability and liquidity.

(4 marks)

(Total: 40 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER