



PENINSULA
COLLEGE
GEORGETOWN

FINAL EXAMINATION

Programme Name	:	DIPLOMA OF ACCOUNTANCY DIPLOMA IN LOGISTICS MANAGEMENT
Course Code & Name	:	DBAC3033 COST ACCOUNTING
Duration	:	3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY**.
2. The question paper consists of **FOUR (4)** questions.
3. Answer **ALL** questions in the question paper.
4. Answers to the questions are to be written into the examination booklet.
5. Electronic dictionaries, lecture notes, files or any unauthorised materials except writing equipment are strictly prohibited.

This question paper must be submitted along with all used and/or unused rough papers and/ or graph papers (if any). Candidates are **NOT ALLOWED** to take any examination paper(s) used or unused out of the examination hall.

WARNING:

The Examination Board of Peninsula College Georgetown regards cheating as a very serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in the accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from Peninsula College Georgetown.

(This booklet contains 5 printed pages including this page)
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Answer **ALL** questions on the separate sheet provided.

[100 marks]

1. a) On 1 July 2022, Mr Ong started a small business buying and selling Product Z. He invested his savings of RM100,000 in the business and, during the next six months, the following transactions occurred:

Date of Receipt	Purchases Units	Total Cost RM	Date of Despatch	Sales Units	Total Sales Value RM
13 July	200	7,200			
8 Aug	400	15,200			
			10 Aug	500	28,000
11 Sep	600	24,000			
12 Oct	400	14,000			
			20 Oct	600	32,000
15 Nov	500	14,000			
			25 Nov	400	22,500

Required:

Using the First-In-First-Out (FIFO) method, calculate the value of total issues (cost of sales) during the six-month period, and the value of the closing stock at the end of December 2022. (17 marks)

- b) Explain **FOUR (4)** differences between financial accounting and cost accounting.

(8 marks)

Total: [25 marks]

2. a) Job M759 has the following budgeted cost:

		RM
Direct material		18,800
Direct labour	2,000 hours @ RM7.50 per hour	15,000
Direct expense		7,900

Overhead absorption rates:

Production overhead RM9 per direct labour hour

Non-production overhead 20% of production cost

Required:

Compute:

- i) Prime cost; (3 marks)
- ii) Production cost; (3 marks)
- iii) Total cost. (3 marks)
- iv) Selling price of Job M759 if the firm requires:
 - (i) a margin of 30%; (2 marks)
 - (ii) a mark-up of 30%. (2 marks)

b) The following information relates to the budget of Ong Industry Sdn. Bhd. for two levels of production activities:

Production volume	20,000 units	24,000 units
	RM	RM
Direct material	160,000	192,000
Direct labour	200,000	240,000
Production overhead	170,000	186,000
Administration overhead	<u>110,000</u>	<u>110,000</u>
	<u>640,000</u>	<u>728,000</u>

Required:

- i) Identify the cost behaviour for each of the above cost elements. (6 marks)
 - ii) Prepare the total estimated cost at a production volume of 25,000 units. (6 marks)
- Total: [25 marks]

3. a) CDYZ Sdn. Bhd. has estimated the following overhead costs:

	RM'000
Indirect costs - Production Department C	280
- Production Department D	210
- Service Centre Y	120
- Service Centre Z	70
Factory rental	1,000
Factory building insurance	700
Canteen expenses	<u>900</u>
	<u>3,280</u>

The information relating to the production and service departments in the factory are as follows:

	Production Department		Service Centre	
	C	D	Y	Z
Floor area (sq. metres)	1,200	1,600	800	400
No. of employees	30	30	20	10

The overheads of Service Centre Y will be reapportioned to Production Departments C and D at the ratio of 70:30.

The overheads of Service Centre Z will be reapportioned to Production Departments C and D at the ratio of 40:60.

Required:

Calculate the total overhead costs of Production Departments C and D. (17 marks)

- b) Ezzy Sdn. Bhd. has two Production Departments, P and Q. The budgeted information for the month of March 2023 is as follows:

	P	Q
Budgeted overheads (RM)	450,000	360,000
Budgeted machine hours	50,000	3,000
Budgeted labour hours	5,000	60,000

The actual data for the month of March 2023 was as follows:

	P	Q
Actual overheads (RM)	440,000	378,000
Actual machine hours	45,000	2,500
Actual labour hours	3,000	68,000

Required:

- i) Calculate the overheads absorption rate for each of the production departments. (4 marks)
- ii) Calculate the overheads absorbed for each of the production departments (4 marks)

Total: [25 marks]

4. Kimia Sdn. Bhd. is a manufacturer specialising in producing a machinery lubricant, which is formed by mixing certain chemicals in two successive processes. The output of Process Y is passed to Process Z, where it is blended with other chemicals. The process costs for the month of March 2023 were as follows:

Process Y

Materials :3,000 units at RM2.50 per unit
Labour :RM1,200
Overheads :RM4,500

Process Z

Materials :2,000 units at RM4.00 per unit
Labour :RM840
Overheads :RM4,170

The normal loss of Process Y is 20% of the total input, while that of Process Z is 10% of the total input. Waste matter from Process Y is sold for RM2.00 per unit, while that from Process Z is sold for RM3.00 per unit.

The outputs for the month of March 2023 were as follows:

Process Y : 2,300 units
Process Z : 4,000 units

There was no stock or work in progress at both the beginning and the end of the month of March 2023, and it may be assumed that all the available waste matter had been sold at the prices indicated.

Required:

- a) Prepare the Process Y account. (12 marks)
- b) Prepare the Process Z account. (13 marks)
- Total: [25 marks]

- END OF QUESTIONS -