

FINAL SEMESTER EXAMINATION

Programme	:	DIPLOMA OF ACCOUNTANCY DIPLOMA IN LOGISTICS MANAGEMENT
Course	:	COST ACCOUNTING
Course Code	:	DBAC3033
Duration	:	3 Hours

INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY**.
2. This 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)

DO NOT OPEN THIS BOOKLET UNTIL YOU ARE ALLOWED TO DO SO

For examiner's use only

QUESTION NO.	MARKS
1	/ 25
2	/ 25
3	/ 25
4	/ 25
Total	/ 100

Answer **ALL FOUR (4)** questions on the separate sheet provided.

[100 marks]

1. a) Catherine is paid RM4 for every unit that she produced but she has a guaranteed wage of RM50 per eight-hour day. In a particular week, she produces the following number of units:

Monday	15 units
Tuesday	17 units
Wednesday	12 units
Thursday	18 units
Friday	11 units

Compute Catherine's wage for this week.

(6 marks)

- b) Danny Ltd currently remunerates its factory workers on a time basis and is now considering the introduction of alternative methods of remuneration. The following information relates to two employees for one week.

Employee	John	Jason
Hours worked	50	60
Rate of pay per hour	RM4	RM5
Units of output achieved	500	370

The time allowed for each unit of output is 9 standard minutes. For purposes of piecework calculations, each minute is valued at RM0.07.

Required:

Compute the earnings of each employee where earnings are based on:

- i) piecework rates with earnings guaranteed at 85% of pay calculated on an hourly basis. (9 marks)
- ii) premium bonus scheme in which a bonus (based on 80% of time saved) is added to pay calculated on an hourly basis. (10 marks)

Total: [25 marks]

2. a) Funny Ltd has two production departments, X and Y, and two service departments, a canteen and stores.

The overhead costs for Funny Ltd in total are as follows:

	RM
Power	9,000
Rent and rates	38,000
Machinery running expenses	8,000
Machinery insurance	3,200
Factory repairs and maintenance	7,000

There are also specific costs that have already been allocated to each cost centre as follows:

	RM
Department X	6,000
Department Y	5,000
Canteen	3,000
Stores	2,000

The following information about the various cost centres is also available:

	Total	Dept X	Dept Y	Canteen	Stores
Power usage	100%	40%	35%	15%	10%
Floor space (Square feet)	40,000	20,000	9,000	4,000	7,000
Machine hours (000)	90	40	50		
Value of machinery (RM'000)	320	180	140		
Number of employees	50	25	15	6	4
Value of stores requisitions (RM'000)	120	90	30		

Required:

- i) Allocate and apportion the costs to the four departments. (12 marks)
 - ii) Re-apportion the service cost centres overhead costs using step-down method of apportionment, starting with the canteen cost centre. (6 marks)
- b) Zinger Ltd has a single production department. Its budgeted volume of production was 60,000 direct labour hours and its budgeted production overheads for 2021 were RM300,000.

During 2021, 58,000 direct labour hours were worked. The actual production overhead expenditure was RM251,000.

Required:

Compute the

- i) absorption rate per direct labour hour. (3 marks)
- ii) over or under-absorbed overhead. (4 marks)

Total: [25 marks]

3. Flower Ltd produces product AB. The following information is related to product AB.

	RM
Selling price per unit	17
Direct materials per unit	5
Direct labour per unit	4
Variable overhead per unit	3
Fixed overhead incurred	15,000

	Units
Budgeted production and sales	6,000
Actual production	5,000
Actual sales	4,600

Required:

Compute the

- i) cost per unit to be used for stock valuation under absorption costing and marginal costing. (5 marks)
 - ii) profit under absorption costing and marginal costing. (17 marks)
 - iii) Prepare a statement reconciling the profits between absorption costing and marginal costing. (3 marks)
- Total: [25 marks]

4. a) Danny Ltd is a company that carries out jobbing work. One of the jobs carried out in September was job 2612, to which the following information relates.

Direct material X	500kg were issued from stores at a cost of RM6 per kg.
Direct material Y	700kg were issued from stores at a cost of RM7 per kg. 80kg were returned to stores.
Department A	350 labour hours were worked. Basic pay is RM6.50 per hour.
Department B	220 labour hours were worked. Basic pay is RM5 per hour.

Overhead is absorbed at the rate of RM3.50 per direct labour hour in both departments.

Required:

Compute the

- i) total direct material costs. (6 marks)
- ii) total direct labour costs. (6 marks)
- iii) full production cost using absorption costing. (6 marks)

- b) Dell Ltd budgets to have a variable cost of production of RM5.50 per unit. Fixed production costs are RM7,600 per month. Jane requests a job of 4,800 units. The selling price is to be 35% higher than full cost.

Required:

Compute the selling price for this job.

(7 marks)

Total: [25 marks]

- END OF QUESTIONS -