

**FINAL**  
**ALTERNATIVE ASSESSMENT**  
Examination Paper

(COVER PAGE)

Session : January 2022

Programme : Diploma In Business (DIB)  
Diploma In E-Commerce (DEC)

Course : ACC1113: Cost Accounting

Date of Examination : March 6, 2022 (Sunday)

Time : 12.00pm – 2.30pm Reading Time : Nil

Duration : 2 Hours : 30 Minutes

**Special Instruction** :

**Note:** The last 30 minutes is provided for the submission of your answers. Any issues with connectivity, scanning and uploading of your answers should be resolved within this 30 minutes.

**Instruction:**

This paper contains **FOUR (4)** questions. Answer **ALL** questions.

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Materials permitted : Nil

Materials provided : Nil

Examiner(s) : Liew Wenn Hing, Cheah Kong Yong, Grace Khor Cheng Ling & Janice Malibin

Chief Moderator : Christine Gan Ker Sing

*This paper consists of 5 printed pages, including the cover page*

DIPLOMA IN BUSINESS PROGRAMME (DIB)  
 DIPLOMA IN E-COMMERCE PROGRAMME (DEC)  
 ACC1113: COST ACCOUNTING  
 FINAL ALTERNATIVE ASSESSMENT: JANUARY 2022 SESSION

**Instruction:** Read each of the questions carefully and thoroughly before your attempts. This paper consists of **FOUR (4)** questions. Answer all questions in the answers in the foolscap papers.

**Question 1**

Tropical Mill Flour (M) Sdn. Bhd. produces a single type of Premium flour for its both wholesale and retail customers in Klang Valley. There was an opening inventory (900 kg at RM2 each) brought forward from December 2021. During January 2022, the company's operations had the following transactions:

Date	Transferred from production	Issued out to customer
Jan 2	350 kg at RM2.10 each	
Jan 3		980 kg @RM6
Jan 9	480 kg at RM2.20 each	
Jan 13	630 kg at RM2.30 each	
Jan 18		1,050 kg@RM8
Jan 25	390 kg at RM2.40 each	

**Additional information:**

The operating expenses for the month amounted to RM9,000.

**Required:**

- (a) Using the following methods calculate the cost of goods sold as at 31 January 2022. (Round your answers to 2 decimal points. Eg: 3.127 =3.13)
- (i) First in, First out method (FIFO) (7 marks)
  - (ii) Moving Average method (MAVG) (6 marks)
  - (iii) Last in, First out method (LIFO) (6 marks)
- (b) Prepare a profit and loss statement (in columnar format) showing Tropical Mill's net profit or loss for the month ended 31 January 2022. (6 marks)

Note: Show all your relevant working.

**(Total: 25 marks)**

**Question 2**

Olive Bread manufactures a special type of bread customized to orders. The company has the following budgeted overheads for the year 2021 based on normal activity levels.

Department	Budgeted overheads (RM)	Overhead absorption base
Mixing	63,750	25,500 labour hours
Fermentation	80,640	25,200 labour hours
Baking	138,040	20,300 machine hours
Packing	35,910	18,900 labour hours

An order for 5000 units, assigned as Job 121, incurred the following costs:

Materials	RM8,210
Labour	240 hours Mixing Department at RM10 per hour
	430 hours Fermentation Department at RM8 per hour
	120 hours Baking Department at RM7 per hour
	130 hours Packing Department at RM8 per hour

**Additional Information:**

- 1) A sum of RM11,000 was paid for a nutritionist for testing the quality of Job 121.
- 2) Time booking must be made in advance to Baking departments for each job. Total time booking to produce Job 121 in the Baking department was 150 machine hours.
- 3) The selling and administration overheads will be charged to each order at 10% of production cost.

**Required:**

- (a) Compute overhead absorption rate (**OAR**) for each department, (8 marks)
- (b) Calculate the following for Job 121:
  - (i) Total production cost (11 marks)
  - (ii) Total costs (2 marks)
  - (iii) Unit cost (2 marks)
  - (iv) Profit if the selling price is RM8 per unit. (2 marks)

Note: (a) Round your answers to **TWO (2)** decimal points  
 (b) Show all your relevant working.

**(Total: 25 marks)**

**Question 3**

Good Yeast (M) Sdn. Bhd. produces a premium-grade yeast to be used in baking industry in Malaysia. The company operates three production departments: Strain banks, Incubators, Packing and two service departments: store and maintenance. The following are the data extracted from company's records:

Factory Overheads	Departments	RM
Indirect labour	Strain bank	11,000
	Incubator	12,900
	Packing	9,600
	Store	12,600
	Maintenance	11,400
Heating		10,200
Supervision		65,300
Production supervision		55,100
Power		30,500
Depreciation of machine		15,900
Lubricant		10,200
Direct materials		34,500
Direct labour		20,800

**Additional information:**

Item	Strain bank	Incubator	Packing	Store	Maintenance
Floor Area (Sq. ft.)	2,100	4,500	2,600	4,200	1600
No. of employees	16	24	35	10	15
Machine value (RM000)	100	200	150	50	-
Power (Kilowatts)	10,000	4,000	4,000	2,000	-
Maintenance hours	5,000	3,500	1,500	-	-
Materials requisitions	6,000	3,000	1,000	-	-
Direct labour hours	20,000	14,500	5,500	-	-
Machine hours	14,000	26,000	10,000	-	-

**Required:**

- (a) Prepare an overhead analysis statement for the year ended 31 December 2021.  
(Round up your answers to the nearest whole number). (18 marks)
- (b) Calculate the overhead absorption rate (to the nearest 2 decimal points) for the production departments. (7 marks)

Note:

No mark will be rewarded if there is no working shown in each of your calculations.

**(Total: 25 marks)**

**Question 4**

Delicious Meal, a wedding-banquet provider located in Klang Valley, provides wedding banquet for newly marriage couples from middle class. The following information is provided:

		RM
(i)	Basic salary paid to front-desk receptionists.	19,100
(ii)	Tips paid to waiters by guests.	2,590
(iii)	Salary paid to chefs who were sent for monthly training.	78,300
(iv)	Basic wages paid to valet.	21,900
(v)	Shift allowance paid to junior chefs signed up for night shift voluntarily.	12,500
(vi)	Basic salary paid to the managers.	15,000
(vii)	Salary and allowance paid to the teams of interior decorators who choose the themes and decoration of venues of banquet.	180,000
(viii)	Basic salaries paid to cook helps who worked overtime.	26,100
(ix)	Overtime premium paid to chefs.	18,300
(xi)	Basic salary paid to the cashiers.	22,500
(xii)	Allowance paid to supervisors who helped out at kitchen during wedding banquet.	12,800
xiii)	Part-time wages paid to maintenance workers who service air conditioners in the office.	10,600
(xiv)	Fees paid to wedding banquet consultants.	32,800
(xv)	Overtime premium paid to chefs who work to recover dishes due to sudden barbecue grills failure.	17,900
(xvi)	Salary and allowance were paid to both part-time Masters of Ceremonies (MC) and live-bands.	45,600
(xvii)	Basic wages paid to cleaners who clean up the parking lots.	18,700
(xviii)	Basic salary paid to the Master chefs who supervise the chefs.	212,880
(xix)	Fees paid to guest chefs who create new dishes.	19,420
(xx)	Overtime premium paid to waiters during banquet.	14,300
(xxi)	Rental paid for the banquet halls	350,300

**Required:**

(a) Classify the above and calculate the total of following for the wedding banquet.

- |      |                |           |
|------|----------------|-----------|
| (i)  | direct costs   | (8 marks) |
| (ii) | indirect costs | (8 marks) |

- (b) Due to the rapid increase of new infection cases of Covid-19, Delicious Meal plans to set up a Cleaning department, which is mainly responsible for the cleanliness and sanitization of all its work offices and restaurant.

**Required:**

Recommend **ONE (1)** suitable remuneration method (taught in this course) for the Cleaning Department that with which it will provide **TWO (2)** advantages and **THREE (3)** potential challenges to its manager in charge.

(9 marks)

**(Total: 25 marks)**

**~THE END~**

*ACC1113 (F)/ January 2022 Session/ formatted*