

<b>ANSWER</b>			<u>MARK/NOTES</u>
<b>QUESTION 1 (a)</b>			
	<b>Cost Accounting</b>	<b>Financial Accounting</b>	* = 0.5 mark / = 1 mark
Users *	Internal parties /	External parties /	
Format *	Up to the practice and standard of the company /	Depend on the standard and GAAP /	
Regulatory framework	No regulatory framework	Tightly governed by GAAP	2* = 1 mark 4/ = 4 marks
Report content	Financial and non-financial information	Financial information	<b>Total = 5 marks</b>
(any relevant answer is accepted)			
<b>QUESTION 1 (b)</b>			
<b>SURAINI TRADING</b>			
<b>STATEMENT OF COST SHEET THE YEAR ENDED 31 DEC 2021</b>			
	<b>RM</b>	<b>RM</b>	
Opening stocks of raw material	26,000/		
Purchased of raw material	85,000/		
Freight inward	11,000/		
	122,000		
less: Closing stock of raw material	(35,000)/		
<b>Cost of material consumed</b>	<b>87,000</b>		
Direct wages	80,000/		
<b>PRIME COSTS</b>		<b>167,000</b>	
<b>PRODUCTION OVERHEAD COSTS:</b>			
Factory insurance	24,000 /		
Repair of machinery expenses	25,700/		
Depreciation of machine (10% x 100,000)	10,000 /		
		59,700	
<b>FACTORY COST</b>		226,700	
<b>ADMINISTRATIVE EXPENSES:</b>			
Office staff salary	50,000/		
Office rental	18,000/		
Depreciation of office building (10% x 220,000)	22,000/	90,000	
		316,700	
(+) Opening Finished Goods	10,500 /		
(-) Closing Finished Goods	(8,000) /	2,500	

		<u>MARK/NOTES</u>
<b>SELLING AND DISTRIBUTION EXPENSES</b>		319,200
Advertising	12,000/	
Salesman commission	12,500/	24,500
<b>TOTAL COSTS</b>		<b>343,700</b>
		15/ * 1 = 15 marks
		<b>Total = 15 marks</b>
 <b>QUESTION 2 (a)</b>		
Re-order level		
= Max Consumption x Max Re-order period		
= 1,000 x 6 //		
= 6,000 units /		
 Economic Order Quantity		
= $\sqrt{\frac{2UO}{IC}}$		
= $\sqrt{\frac{2 \times 9,600 \times 50}{10\% \times 30}}$ ///		
= $\sqrt{\frac{960,000}{3}}$		
= $\sqrt{320,000}$		
= 565.7		
= 566 units /		
 Maximum stock level		
= ROL + EOQ – (Min. Usage x Min. Lead Time)		
= 6,000 + 566 – (200 x 2) ////		
= 6,566 – 400		
= 6,166 units /		
 Minimum stock level		
= ROL – (Average Usage x Average Lead Time)		
= 6,000 – [(1,000+200)/2 x (2+6)/2] ////		
= 6,000 – [600 x 4]		
= 6,000 – 2,400		
= 3,600 units /		
		20 / = 20 marks
		<b>Total = 20 marks</b>

**QUESTION 2 (b)**

	<b>Faris</b>	<b>Hong</b>
Time-based	<i>Basic wage:</i> 50h x RM40 // = RM2,000 *  <i>Overtime:</i> 10h x RM40 x ½ /// = RM200 *  <i>Total wage:</i> = RM2,000 + RM200 = RM2,200 /	<i>Basic wage:</i> 45h x RM39 // = RM1,755 *  <i>Overtime:</i> 5h x RM39 x ½ /// = RM97.50 *  <i>Total wage:</i> = RM1,755 + RM97.50 = RM1,852.50 /
Piecework scheme	1,400 units x RM40 // = RM2,100 *	1,110 units x RM1.50 // = RM1,665 *

From the above result, as the management decide to pay at the minimum rate, the company should choose piecework scheme as the payment method for both workers. /

**QUESTION 2 (c)**

<b>No</b>	<b>Overhead</b>	<b>Types of Overhead</b>
1.	Repair and maintenance of office equipment	Administration Overhead /
2.	Depreciation of factory equipment	Production Overhead /
3.	Postage and telephone bills of clerk	Administration Overhead /
4.	Expenses of warehouse	Selling Overhead /
5.	Carriage and freight outwards	Selling Overhead /
6.	Office rent and rates	Administration Overhead /
7.	Factory rental	Production Overhead /
8.	Supervisor salary	Production Overhead /
9.	Water and electricity of factory	Production Overhead /
10.	Salesman commission	Selling Overhead /

MARK/NOTES

\* = 0.5 mark

/ = 1 mark

6\* = 3 mark

17/ = 17 marks

**Total = 20 marks**

1 / = 1 mark

10/ = 10 marks

**Total 10 marks**

<b>QUESTION 3 (a)</b>			<u>MARK/NOTES</u>
	<b>Job 345</b>	<b>Job 346</b>	
	<b>RM</b>	<b>RM</b>	
Opening balance	32,500 /	-	
Direct materials	5,200 /	7,800 /	
Direct labour	3,500 /	3,450 /	
Direct expenses	2,300 /	2,200 /	* = 1.5 marks / = 1 mark
Overhead absorb:			
Job 345 = 3,500/20 x RM22 *	3,850 /		2* x 1.5 = 3 11/ * 1 = 11 marks
Job 346 = 3,450/20 x RM22 *		3,795 /	Total 14 * 0.5 = 7 marks
<b>Total Cost</b>	<b>45,050 /</b>	<b>15,045 /</b>	<b>Total 7 marks</b>
<b>QUESTION 3 (b)</b>			
<b>Industries</b>	<b>Examples</b>		
Legal firms	Man per hour, no of cases //		
Hospital	Patients per day, number of operations //		
Education institution	Work load per day, full time equivalent student //		/ = 1 mark 8/ = 8 marks
Hotels	Beds per day, guest per day, meals per day //		<b>Total 8 marks</b>
<b>QUESTION 4 (a)</b>			
High-low method:			



	<b>Cost per unit</b>	<b>RM</b>	<u>MARK/NOTES</u>
Sales	50.00	350,000 /	
(-) Variable cost:			
Raw materials	10.00	70,000 /	
Labour	5.00	35,000 /	
Variable overhead	3.00	21,000 /	
Variable selling and distribution	2.00	14,000 /	
<b>Total variable cost</b>		<b>140,000</b>	
<b>Contribution Margin</b>		<b>210,000 /</b>	
Fixed overhead		30,000 /	
Fixed selling and distribution		20,000 /	
Net Profit		160,000 /	

/ = 1 mark  
10/ = 10 marks

**Total 10 marks**

*“If the working given is different from the solution provided, make an appropriate adjustment to the marking scheme with approval from the program leader”*

