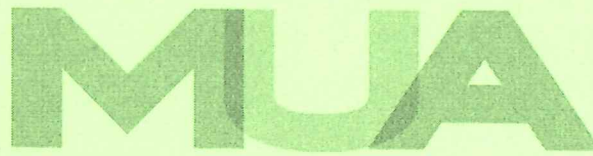


The
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UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP
/DEGREE OF BACHELOR OF COMMERCE/ DEGREE OF
BACHELOR OF EDUCATION ARTS

**BML 108/ BML 404/ACC 312/ACT 411: MANAGERIAL ACCOUNTING/
MANAGEMENT ACCOUNTING**

DATE: 6TH AUGUST 2024

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

QUESTION FOUR

a). Discuss three applications of queuing theory in managerial decision-making, with a focus on optimizing service operations. [7 Marks]

b.) The following standards have been set to manufacture a product:

Direct Material	Sh
2 units of A @ Sh 4 per unit	8.00
3 units of B @ Sh 3 per unit	9.00
15 units of C @ Sh 1 per unit	15.00
	<u>32.00</u>
Direct labor 3 hrs. @ Sh 8 per hour	24.00
Total standard prime cost	56.00

The company manufactures and sold 6,000 units of the product during the year.

Direct

material costs were as follows:

12,500 units of A at Sh 4.40 per unit

18,000 units of B at Sh 2.80 per unit

88,500 units of C at Sh 1.20 per unit

The company worked 17,500 direct labor hours during the year. For 2,500 of these hours the company paid at Sh 12 per hour while for the remaining the wages were paid at standard rate. Calculate materials price variances and usage variances and labor rate and efficiency variances.

Required:

Calculate

- | | |
|-------------------------------|-----------|
| i. Material usage variance | [2 Marks] |
| ii. Material price variance | [2 Marks] |
| iii. Labor Rate Variance | [2 Marks] |
| iv. Labor efficiency Variance | [2 Marks] |

QUESTION FIVE

a). Discuss any three advantages of Imposed Budgets. **[3 marks]**

b). ABC Assume that ABC Ltd makes four components with the following information:

	W	X	Y	Z
Production (units)	1,000	2,000	4,000	3,000
Unit marginal costs				
Direct material	4	5	2	4
Direct labour	8	9	4	6
Variable O/H	<u>2</u>	<u>3</u>	<u>1</u>	<u>2</u>
	<u>14</u>	<u>17</u>	<u>7</u>	<u>12</u>

Attribute Fixed Cost

Sub contractor price

TO		Sh.		Sh.
	W	1,000	W	16
	X	5,000	X	21
	Y	6,000	Y	10
	Z	8,000	Z	18

Committed Fixed Costs are Sh. 30,000

Assume that machine hours per unit required to produce the components are:

	Machine Hours
W	4
X	5
Y	3
Z	6

The total machine hours available is 27,000 hours during the budget period.

Required:

Advise the company on which products to make and the ones to buy externally. **[12 Marks]**

QUESTION SIX

a) Explain any five differences between Management Accounting and Financial Accounting **[10 Marks]**

b) When undertaking variance investigation, only the material and meaningful variances are focused on. Explain five factors to consider during this process. **[5 Marks]**

