

2nd : Mid
10th

Daffodil International University
Department of Information Technology & Management
Faculty of Science & Information Technology
Midterm Examination, Summer 2025
Course Code: ITM201, Course Title: Managerial Accounting
Instructor: DAR

Date:

Time:

Marks: 25

Exam instructions:

- A) Answer all the Questions. [at right side the allocated marks and corresponding course outcomes are indicated]
B) During the exam you are not allowed to leave the exam hall to have water or restroom, but if you finish early, you may leave the hall submitting the script.
C) Do not keep your mobile phone or digital watch in your bag during the exam and keep all your belongings in a secure place.
D) Be respectful to the Exam ethics. Use own Stationary.

No		Questions	Marks	CLO Level																								
1	a)	Define managerial accounting and what is its purpose, and who are its primary users?	2	CLO-1 L-1																								
	b)	Company Y manufactures electronic gadgets. The following costs were incurred during the month of June: • Direct Materials: \$40,000 • Direct Labour: \$25,000 • Factory Rent: \$10,000 • Sales Commission: \$5,000 • Depreciation on Manufacturing Equipment: \$4,000 • Office Salaries: \$8,000 • Packaging for Final Products: \$3,000 a) Classify each of the above costs (product cost/period cost). b) Calculate the total product cost and total period cost.	5																									
2		Febrilife Company has the following cost and expense data for the year ending December 31, 2023. <table><tr><td>Raw materials, 1/1/23</td><td>Tk 30,000</td><td>Insurance, factory</td><td>Tk14,000</td></tr><tr><td>Raw materials, 12/31/23</td><td>Tk20,000</td><td>Contractual labour for delivery</td><td>Tk6,000</td></tr><tr><td>Depreciation on delivery equipment</td><td>Tk 5000</td><td>Utilities expense</td><td>TK 45000</td></tr><tr><td>Cost of raw materials purchases</td><td>Tk205,000</td><td>Revenue from sales</td><td>Tk20,00,000</td></tr><tr><td>Indirect materials</td><td>Tk15,000</td><td>Delivery expenses</td><td>Tk100,000</td></tr><tr><td>Work in process, 1/1/23</td><td>Tk80,000</td><td>Sales commissions</td><td>Tk150,000</td></tr></table>	Raw materials, 1/1/23	Tk 30,000	Insurance, factory	Tk14,000	Raw materials, 12/31/23	Tk20,000	Contractual labour for delivery	Tk6,000	Depreciation on delivery equipment	Tk 5000	Utilities expense	TK 45000	Cost of raw materials purchases	Tk205,000	Revenue from sales	Tk20,00,000	Indirect materials	Tk15,000	Delivery expenses	Tk100,000	Work in process, 1/1/23	Tk80,000	Sales commissions	Tk150,000	10	CLO-1 L-4
Raw materials, 1/1/23	Tk 30,000	Insurance, factory	Tk14,000																									
Raw materials, 12/31/23	Tk20,000	Contractual labour for delivery	Tk6,000																									
Depreciation on delivery equipment	Tk 5000	Utilities expense	TK 45000																									
Cost of raw materials purchases	Tk205,000	Revenue from sales	Tk20,00,000																									
Indirect materials	Tk15,000	Delivery expenses	Tk100,000																									
Work in process, 1/1/23	Tk80,000	Sales commissions	Tk150,000																									

	Work in process, 12/31/23	Tk50,000	Supplies expense for office	Tk9,000		
	Finished goods, 1/1/23	Tk110,000	Factory machinery rent	Tk30,000		
	Finished goods, 12/31/23	Tk120,000	Office utilities	Tk45,000		
	Direct labour	Tk350,000	Miscellaneous costs	Tk24,000		
	Production line maintenance salaries	Tk35,000	Promotional expenses	Tk30,000		
	Instructions: a) Determine the cost of goods sold for Febrilife Company for 2023. b) Construct an income statement for Febrilife for 2023.					

3.	Aqualina a water bottle manufacturer has the following income statement for the month of January, 2025 <table><tr><th>Particulars</th><th>TOTAL</th></tr><tr><td>Sales(Unit price Tk30)</td><td>TK 150,000</td></tr><tr><td>Variable expenses</td><td></td></tr><tr><td>Contribution margin</td><td>120,000</td></tr><tr><td>Fixed expenses</td><td>90,000</td></tr><tr><td>Net operating income</td><td>TK 30,000</td></tr></table> <i>* The company determine the variable cost based on number of unit produced.</i>	Particulars	TOTAL	Sales(Unit price Tk30)	TK 150,000	Variable expenses		Contribution margin	120,000	Fixed expenses	90,000	Net operating income	TK 30,000	8	CLO-1 L5
Particulars	TOTAL														
Sales(Unit price Tk30)	TK 150,000														
Variable expenses															
Contribution margin	120,000														
Fixed expenses	90,000														
Net operating income	TK 30,000														
	Instructions: a) Using the equation <i>method</i>, determine the overall break-even point for Patronus in sales volume. b) Determine the Margin of Safety in Tk and as a percentage of actual sales. c) The sales manager is convinced that a 10% reduction in the selling price will result in a 25% increase in the number of sold each month. Prepare two contribution format income statements, one under present operating conditions, and one as operations would appear after the proposed changes. Show both total and per unit data on your statements. d) Assume that through a more intense effort by the sales staff, PETRONU's sales increased by 5.8% the following year. By what percentage would you expect net operating income to increase? Use the degree of operating leverage to obtain your answer. e) Refer to the original data. The company's advertising agency thinks that a new package would help sales. The new package being proposed would increase packaging costs by \$0.60 per unit. Assuming no other changes, how many units would have to be sold each month to earn a profit of \$4,500?														