

code: 7910



Daffodil International University
Faculty of Science & Information Technology
Department of Information Technology & Management
Final Examination, Summer-2025
Course Code: ITM 201, Course Title: Managerial Accounting

Level: 1

Term: 1 Section: A

Instructor: DAR

Duration: 2 hours

Marks: 40

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)	What does a flexible budget performance report do that a simple comparison of budgeted to actual results does not do?	3	CLO-3
	b)	Define activity-based costing in the context of a manufacturing firm?	2	L2

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The Avon branch of First Bank of Eagle has submitted the following cost data for last year:

Teller wages	\$150,000
Assistant branch manager salary . . .	70,000
Branch manager salary	85,000
Total	\$305,000

Virtually all of the other costs of the branch—rent, depreciation, utilities, and so on—are organization-sustaining costs that cannot be meaningfully assigned to individual customer transactions such as depositing checks. In addition to the cost data above, the employees of the Avon branch have been interviewed concerning how their time was distributed last year across the activities included in the activity-based costing study. The results of those interviews appear below:

<i>Distribution of Resource Consumption Across Activities</i>					
	Opening Accounts	Processing Deposits & Withdrawals	Processing Other customer Transactions	Other Activities	Totals
Teller wages	0%	75%	15%	10%	100%
Assistant branch	10%	15%	25%	50%	100%

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CLO-4
L-3

	manager salary							
	Branch manager salary	0%	0%	20%	80%	100%		
	Instruction: a. Construct the first-stage allocation for Ms. Wu.							
3.	Hogle Corporation is a manufacturer that uses job-order costing. On January 1, the beginning of its fiscal year, the company's inventory balances were as follows: Raw materials \$20,000 Work in process \$15,000 Finished goods. \$30,00 The company applies overhead cost to jobs on the basis of machine-hours worked. For the current year, the company's predetermined overhead rate was based on a cost formula that estimated \$450,000 of total manufacturing overhead for an estimated activity level of 75,000 machine hours. The following transactions were recorded for the year: a. Raw materials were purchased on account, \$410,000. b. Raw materials were requisitioned for use in production, \$380,000 (\$360,000 direct materials and \$20,000 indirect materials). c. The following costs were accrued for employee services: direct labor, \$75,000; indirect labor, \$110,000; sales commissions, \$90,000; and administrative salaries, \$200,000. d. Sales travel costs were \$17,000. e. Utility costs in the factory were \$43,000. f. Advertising costs were \$180,000. g. Depreciation was recorded for the year, \$350,000 (80% relates to factory operations, and 20% relates to selling and administrative activities). h. Insurance expired during the year, \$10,000 (70% relates to factory operations, and the remaining 30% relates to selling and administrative activities). i. Manufacturing overhead was applied to production. Due to greater than expected demand for its products, the company worked 80,000 machine-hours on all jobs during the year. j. Goods costing \$900,000 to manufacture according to their job cost sheets were completed during the year. k. Goods were sold on account to customers during the year for a total of \$1,500,000. The goods cost \$870,000 to manufacture according to their job cost sheets. Instruction: 1. Identify journal entries to record the preceding transactions. 2. Post the entries in (1) above to T-accounts (don't forget to enter the beginning balances in the inventory accounts). 3. Is Manufacturing Overhead underapplied or overapplied for the year? Construct a journal entry to close any balance in the Manufacturing Overhead account to Cost of Goods Sold. Do not allocate the balance between ending inventories and Cost of Goods Sold. 4. Construct an income statement for the year.						15	CLO-4 L-3

4	Harrald's Fish House is a family-owned restaurant that specializes in Scandinavian-style seafood. Data concerning the restaurant's monthly revenues and costs appear below: Revenue \$16.50q Cost of ingredients \$6.25q Wages and salaries \$10,400 Utilities \$800 + \$0.20q Rent \$2,200 Miscellaneous \$600 + \$0.80q The actual results for April appear below. Prepare a flexible budget performance report for the restaurant for April. — Revenue \$27,920 — Cost of ingredients \$11,110 — Wages and salaries \$10,130 — Utilities \$1,080 — Rent \$2,200 — Miscellaneous \$2,240 Instructions: Construct the restaurant's planning budget for April assuming that 1,800 meals are served. Assume that 1,700 meals were actually served in April. Construct a flexible budget for this level of activity Outline a flexible budget performance report for the restaurant for April.	10	CLO- 3 L-3
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