

PRINCE OF SONGKLA UNIVERSITY
FACULTY OF ENGINEERING

Mid-term : semester 1
Date : August 3 , 2004
Subject : 225-452 Cost Analysis

Academic Year : 2004
Time : 9.00-12.00
Room : R300

Instruction

1. Attempt all questions.
2. Write answers in this examination paper.
3. All materials are allowed in to the examination room.
4. The points are as follows :

Question No	1	2	3	4	Total
Full points scored	20	24	18	18	80

ทฤษฎีในการสอบ โทษชั้นต่ำคือปรับตกในรายวิชาที่ทฤษฎีและพักการเรียน 1 ภาคการศึกษา

Boonrueing Manasurakarn
instructor

Name _____ ID.number _____ department _____

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Name _____ ID.number _____ department _____

Recent financial statements for a company are given below :

ABC COMPANY LIMITED
Comparative Balance Sheet
December 31, 2002 and 2003

Asset	In Baht 2003	In Baht 2002
Current assets		
Cash	1,200,000	2,350,000
Accounts receivable, net	6,000,000	4,000,000
Inventory	8,000,000	10,000,000
Prepaid expenses	<u>300,000</u>	<u>120,000</u>
Total current assets	<u>15,500,000</u>	<u>16,470,000</u>
Property and equipment :		
Land	4,000,000	4,000,000
Building and equipment, net	<u>12,000,000</u>	<u>8,500,000</u>
Total property and Equipment	<u>16,000,000</u>	<u>12,500,000</u>
Total assets	<u>31,500,000</u>	<u>28,970,000</u>
 Liabilities and Stockholders' Equity		
Current liabilities :		
Accounts payable	5,800,000	4,000,000
Accrued payable	900,000	400,000
Notes payable, short term	<u>300,000</u>	<u>600,000</u>
Total current liabilities	<u>7,000,000</u>	<u>5,000,000</u>
Long-term liabilities :		
Bonds payable	<u>7,500,000</u>	<u>8,000,000</u>
Total liabilities	<u>14,500,000</u>	<u>3,000,000</u>

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Name _____ ID.number _____ department _____

Stockholders' equity :

Preferred stock, ₱10,000, par, 6%		
₱ 100,000 liquidation value	2,000,000	2,000,000
Common stock, ₱ 12,000	6,000,000	6,000,000
Addition paid-in capital	<u>1,000,000</u>	<u>1,000,000</u>
Total paid-in capital	9,000,000	9,000,000
Retained earnings	<u>8,000,000</u>	<u>6,970,000</u>
Total stockholders' equity	17,000,000	15,970,000
Total liabilities and stockholders'	<u> </u>	<u> </u>
Equities	<u>31,500,000</u>	<u>28,970,000</u>

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Name _____ ID.number _____ department _____

ABC COMPANY LIMITED
 Comparative Income Statement and Reconciliation
 of Retained Earning
 For the year Ended December 31,2002, and 2003

	In Baht 2003	in Baht 2002
Sales	52,000,000	48,000,000
Cost of goods sold	<u>36,000,000</u>	<u>31,500,000</u>
Gross margin	<u>16,000,000</u>	<u>16,500,000</u>
Operating expenses :		
Selling expenses	7,000,000	6,500,000
Administrative expenses	<u>5,860,000</u>	<u>6,100,000</u>
Total operating expenses	<u>12,860,000</u>	<u>12,600,000</u>
Net operating income	3,140,000	3,900,000
Interest expense	<u>640,000</u>	<u>700,000</u>
Net income before taxes	2,500,000	3,200,000
Less income tax(30%)	750,000	960,000
Net income	<u>1,750,000</u>	<u>2,240,000</u>
Dividends to preferred stockholders, ฿ 6000 per share	<u>120,000</u>	<u>120,000</u>
Net income remaining for common Stockholders	1,630,000	2,120,000
Dividends to common stockholders, ฿ 1,200 per share	<u>600,000</u>	<u>600,000</u>
Net income added to retained earning	1,030,000	1,520,000
Retained earning, beginning of year	<u>6,970,000</u>	<u>5,450,000</u>
Retained earning, end of year	<u><u>8,000,000</u></u>	<u><u>6,970,000</u></u>

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page 4

Name _____ ID.number _____ department _____

1. Explain your general understanding the above statements(page 2-4).(20 points)

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Name _____ ID.number _____ department _____

2. Refer to the above financial statements(page 2-4).
Analyse and explain your understanding by
2.1 Dollar and percentage change on statement
technique.(12 points)

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Name _____ ID.number _____ department _____

2.2 Common size technique.(12 points)

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3. Refer to the above financial statements(page 2-4).
Analyse and

Explain your understanding the financial ratio in the
viewpoint of

3.1 Stockholders (6 points)

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Name _____ ID.number _____ department _____

3.2 Short-term creditor (6 points)

Name _____ ID.number _____ department _____

3.3 Long-term creditor (6 points)

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Name _____ ID.number _____ department _____

4. Paradorn was to prepare raw material price, direct labor price, and quantity standards as follows :

	in Baht
Purchase price	360
Freight, by truck, from the supplier's warehouse	44
Receiving and handling	5
Less purchase discount	(9)
Standard price per unit	<u>400</u>
Material requirements, in kgs .	27
Allowance for waste and spoilage, in kgs.	2
Allowance for rejects, in kgs.	1
Standard quantity, in kgs .	<u>30</u>
Basic wage rate per hour	10
Employment taxes at 1% of basic rate	1
Fringe benefits at 30% of the basic rate	<u>3</u>
Standard rate per direct labor-hour	<u>14</u>
Basic labor time per unit, in hours	19
Allowance for breaks and personal need	1
Allowance for cleanup and machine downtime	3
Allowance for rejects	2
Standard labor-hours per unit of product	<u>25</u>

The predetermined overhead rate is ₱ 3 per direct labor hour. Refer to the data. Calculate :

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Name _____ ID.number _____ department _____

4.1 Direct materials variances.(6 points)

4.2 Direct labor variances.(6 points)

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Name _____ ID.number _____ department _____

4.3 Manufacturing overhead variances. (6 points)

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