



**FINAL EXAMINATION**  
**BACHELOR OF ACCOUNTANCY (HONOURS)**

<b>COURSE</b>	<b>: STRATEGIC MANAGEMENT ACCOUNTING</b>
<b>COURSE CODE</b>	<b>: MAC4063</b>
<b>DURATION</b>	<b>: 3 HOURS</b>

**INSTRUCTIONS TO CANDIDATES:**

1. This question paper consists of **THREE (3)** questions.
2. Answer **ALL** questions.
3. Please check to make sure that this examination pack consists of:
  - i. The Question Paper
  - ii. An Answer Booklet
4. Do not bring any material into the examination hall.
5. Please write your answer using permanent ink.

**MYKAD/  
PASSPORT NO** : \_\_\_\_\_

**ID. NO.** : \_\_\_\_\_

**LECTURER** : \_\_\_\_\_

**SECTION** : \_\_\_\_\_

**DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO**

*This question paper consists of 4 printed pages including the front page*

## QUESTION 1

D'Wood.com is a garden furniture manufacturing company, which employs 25 people. It buys its timber in uncut form from a local timber merchant, and stores the timber in a covered area to dry out and season before use. Often this takes up to two years, and the wood yard takes up so much space that the production area is restricted.

The product range offered by the company is limited to the manufacture of garden seats and tables because the owner-manager, Adam, has expanded the business by concentrating on the sale of these items and has given little thought to alternative products. Adam more of a craftsman than a manager, and the manufacturing area is anything but streamlined. Employees work on individual units at their own pace, using little more than a circular saw and a mallet and wooden pegs to assemble the finished product. The quality of the finished items is generally good but relatively expensive because of the production methods employed.

Marketing has, to date, been felt to be unnecessary because the premises stand on a busy road intersection and the company's products are on permanent display to passing traffic. Also, satisfied customers have passed on their recommendations to new customers. But things have changed. New competitors have entered the marketplace and Adam has found that orders are falling off. Competitors offer a much wider range of garden furniture and Adam is aware that he may need to increase his product range, in order to compete. As the owner-manager, Adam is always very busy and, despite working long hours, finds that there is never enough time in the day to attend to everything. His foreman is a worthy individual but, like Adam, is a craftsman and not very good at man-management. The overall effect is that the workmen are left very much to their own devices. As they are paid by the hour rather than by the piece, they have little incentive to drive themselves very hard.

**Required:**

- a. Explain the terms 'value chain' and 'value chain analysis'.  
(4 marks)
- b. Describe the **TWO (2)** different categories of activities in the Porter Value Chain.  
(Students are required to provide examples for each activity)  
(10 marks)
- c. Evaluate **FOUR (4)** key problems facing D'Wood.com that to be matched to the activities in the Porter Value Chain.  
(13 marks)
- d. Recommend **FOUR (4)** solutions to D'Wood.com to be more efficient and effective in managing its business activities.  
(8 marks)

(Total: 35 marks)

## QUESTION 2

SixtyFortune & Co. has decided to launch a new product called i-Dragon. i-Dragon is an electronic multipurpose blender that use the artificial intelligent (AI) technology. This product is expected to be launched to the market in next January 2024. All team members of the research and development department have been asked to gather all information needed to achieve the objective. In ensuring this objective is achieved, the top management has decided to implement Quality Management System (QMS) started in August 2023. The Senior Management Accountant has been assigned to lead the team and is required to present the QMS report in the top management meeting.

**Required:**

- a. Explain the term 'quality management' and 'Quality Management System'. (4 marks)
- b. A QMS provides a business with a roadmap to superior product and service quality. Businesses that neglect to use a QMS often lack direction, focus, and consistent product quality.

Consider **FOUR (4)** principles of QMS that helps SixtyFortune & Co. produces i-Dragon with high quality at affordable selling price.

**(Students are required to relate these principles to SixtyFortune & Co)**

(10 marks)

- c. At the last minute, the top management asked the Senior Management Accountant to propose the Total Quality Management (TQM) to be implemented together with QMS.
- i. Describe the **THREE (3)** features of TQM. (6 marks)
- ii. Recommend **FIVE (5)** benefits of TQM to the top management. (15 marks)

(Total: 35 marks)

## QUESTION 3

The City Garden has been established for more than 30 years and has the following mission statement:

“The City Garden belongs to the nation. Our mission is to increase knowledge and appreciation of plants, their importance and their conservation, by managing and displaying living and preserved collections and through botanical and horticultural research.”

Located towards the edge of the city, the gardens are visited regularly throughout the year by many local families and are an internationally well-known tourist attraction. Despite charging admission, it is one of the top five visitor attractions in the country. Every year it answers many thousands of inquiries from universities and research establishments, including pharmaceutical companies from all over the world, and charges for advice and access to its collection. It receives an annual grant in aid from central government, which is fixed once every five years. The grant is due for review in three years' time.

The Chief Finance Officer (CFO) has decided that, in order to strengthen its case when meeting the government representatives to negotiate the grant, the management board should be able to present a balanced scorecard demonstrating the performance of the gardens. He has asked you, the Senior Management Accountant, to help him. Many members of the board, which consists of eminent scientists, are unfamiliar with the concept of a balanced scorecard.

**Required:**

- a. Define the term 'balanced scorecard'.  
(4 marks)
  - b. Explain **FOUR (4)** reasons why the company should use the balanced scorecard.  
(8 marks)
  - c. Recommend the **FOUR (4)** perspectives of balanced scorecard that should be implemented by The City Garden.  
(18 marks)
- (Total: 30 marks)

**(TOTAL: 100 MARKS)**

**END OF QUESTION PAPER**