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Exam : **CIMAPRO17-BA2-X1-ENG**

Title : BA2 – Fundamentals of
Management Accounting
Question Tutorial

Vendor : CIMA

Version : DEMO

NO.1 FILL BLANK

A company has three production departments X, Y and Z, and one service department. The service department's overhead has been apportioned to the production departments in the ratio 3:2:5. As a result of this apportionment, \$2,070 was given to Department Y. What is the amount of service department overhead that would have been apportioned to Department Z? Give your answer to the nearest dollar.

Answer: \$5,175

NO.2 Which of the following is NOT a valid purpose of budgeting?

- A. To coordinate the different activities of an organisation.
- B. To communicate targets to managers.
- C. To authorise managers to incur expenditure.
- D. To comply with financial reporting requirements.

Answer: C

Explanation/Reference: <https://www.acowtancy.com/textbook/acca-pm/budgetary-systems/budgetary-systems/notes>

NO.3 Which THREE of the following are parts of the master budget? (Choose three.)

- A. Cash flow budget.
- B. Sales budget.
- C. Administration overhead budget.
- D. Budgeted statement of profit or loss.
- E. Finished goods inventory budget.
- F. Budgeted statement of financial position.

Answer: A,D,F

Explanation/Reference: <https://www.acowtancy.com/textbook/acca-ma/d2-budget-preparation/master-budgets/notes>

NO.4 The following data are available for a company that produces and sells a single product.

The company's opening finished goods inventory was 2,500 units.

The fixed overhead absorption rate is \$8.00 per unit.

The profit calculated using marginal costing is \$16,000.

The profit calculated using absorption costing and valuing its inventory at standard cost is \$22,400.

The company's closing finished goods inventory is:

- A. 1,700 units
- B. 3,300 units
- C. 3,900 units
- D. 8,900 units

Answer: B

NO.5 An organisation produces and sells a single product. The organisation's management accountant has reported the following information for the most recent period.

Sales volume	200,000 units
Selling price per unit	\$24
Variable cost per unit	\$18
Contribution to sales ratio	25%
Fixed cost	\$400,000

Which TWO of the following statements are valid? (Choose two.)

- A. If the fixed cost changed to \$445,000, the breakeven point would not change.
- B. If the variable cost changed to \$16 per unit, the breakeven point would become lower.
- C. If the selling price changed to \$22 per unit, the breakeven point would become lower.
- D. If the contribution to sales ratio changed to 30%, the breakeven point would become higher.
- E. If the sales volume changed to 220,000 units, the breakeven point would not change.

Answer: D,E

NO.6 FILL BLANK

A company uses full cost pricing. The unit costs for product Z are given below.

	\$ per unit
Direct materials	12.00
Direct labour	5.00
Production overhead	6.00
Selling and distribution overhead	5.00
Administration overhead	2.00

What price per unit should be charged in order to achieve a profit margin of 20%?

Give your answer to the nearest cent.

Answer: \$25