

YLIOPISTOTENTTI - UNIVERSITY EXAM

Opiskelijan nimi / Student name:	Opiskelijanumero / Student number:
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Opettaja täyttää / Lecturer fills in:

Opintojakson koodi and nimi / The code and the name of the course: Koodi / Code 721134A Tentin nimi / Exam name Cost Management Systems	
Tiedekunta / Faculty: OyKKK	
Tentin pvm / Date of exam: 27.2.2017	Tentin kesto tunteina / Exam in hours: 3 h
Tentaattori(t) / Examiner(s): Hannele Kantola, Erkki Lassila	Opintopistemäärä / Credit units: 6
	Sisäinen postios. / Internal address: 6OyKKK
Sallitut apuvälineet / The devices allowed in the exam: <input checked="" type="checkbox"/> Nelilaskin / Standard calculator <input checked="" type="checkbox"/> Funktiolaskin / Scientific calculator <input type="checkbox"/> Ohjelmoitava laskin / Programmable calculator <input type="checkbox"/> Muu materiaali, tarkennettu alla / Other material, specified below:	
Tenttiin vastaaminen / Please answer the questions: <input checked="" type="checkbox"/> Suomeksi / in Finnish <input checked="" type="checkbox"/> Englanniksi / in English Suomenkielisessä tutkinto-ohjelmassa olevalla opiskelijalla on oikeus käyttää arvioitavassa opintosuorituksessa suomen kieltä, vaikka opintojakson opetuskieli olisi englanti. Tämä ei koske vieraan kielen opintoja. (Kts. <u>Koulutuksen johtosääntö</u> 18 §) In a Finnish degree programme a student has a right to use Finnish language for their study attainment, even though the language of instruction is English, (excluding language studies) even when the language of instruction is other than Finnish. (See <u>the Education Regulations</u> 18 §)	
Kysymyspaperi on palautettava / Paper with exam questions must be returned: <input type="checkbox"/> Kyllä / Yes <input checked="" type="checkbox"/> Ei / No	

This test has three questions and a maximum of 24 pts. Please use complete sentences when answering the essay questions (no bullets, lists etc.)! Do not write on this exam paper, but provide your answers in the answer sheet.

Kysymyksiin saa vastata suomeksi

1) Relating to allocation of service department costs to production cost centers (Kaplan and Atkinson):

- a. How does such internal allocation improve cost control and efficiency? (2 pts)
- b. What kind of negative consequences may occur if internal service department costs are not assigned to user groups? (4 pts)
- c. What are the economic insights provided by the reciprocal allocation method? (2 pts)

2) Explain the concepts of life-cycle costing, target costing and Kaizen costing in management accounting. How do these concepts relate to each other? (10 pts)

3) Reapportionment of service department costs

Runner Co. Ltd's budgeted overheads for the forthcoming period applicable to its *production* departments, are as follows:

Production department 1 700 000€
 Production department 2 450 000€

The budgeted total costs for the forthcoming period for the *service* departments, are as follows:

Service department A 140 000€
 Service department B 98 000€

The use made of each of the services has been estimated as follows:

	Production department		Service department	
	1	2	A	B
A:	20%	55%	-	25%
B:	52%	28%	20%	-

Required:

Apportion the service department costs to production departments and provide the costs of each production department:

- a) using the *step-wise* (specified order of closing) method, (2,5p)
- b) using the *reciprocal* (simultaneous equation) method. (3,0p)

- c) Comment briefly your figures and these two different methods. (0,5p)

Please remember to show all the calculations.

