

Assignment 1(The total mark is 20 Marks)

Q1. (The total mark is 10 Marks)

Mike smart founded Dubbo canoe Pty Ltd and later purchased Current Designs Pty Ltd, a company that designs and manufactures kayaks. The kayak manufacturing facility is located just a few minutes from the canoe company's headquarters in North Sydney, New South Wales.

The current Design makes kayaks using two different processes. First, The rotational process uses high temperatures to melt polyethylene powder in a closed rotating metal mould to produce a complete kayak hull and deck in a single piece. These kayaks are less labour-intensive and less expensive for the company to produce and sell.

Secondly, Its other kayaks use the vacuum-bagged composite lamination process (which we will refer to as the composite process). Layers of fibreglass are carefully placed by hand in a mould and are bonded with resin. Then, a high-pressure vacuum is used to eliminate any excess resin that would otherwise add weight and reduce the strength of the finished kayak. These kayaks require a great deal of skilled labour as each boat is individually finished. The exquisite finish of the vacuum-bagged composite kayaks gave rise to Current Designs' tagline, "Work of art, made for life."

Current Designs has the following Managers :

Mike Tanoto, CEO

Diane Wisdom, Controller

Dora Chan, Purchasing Manager

Bill Sarimin, Production Manager

Angelo Yellow, Kayak Plant Manager

Required (Maximum 500 words for questions A and B)

- A. Name one special-purpose management accounting report that could be designed for each manager. Include the report's name, the information it would contain and how frequently it should be issued. (5 Marks)
- B. Explain and provide examples of five (5) cost classifications in management accounting that can apply in Dubbo Canoe Pty Ltd. (5 Marks)

Q2. (Total Mark is 20 Marks)

The following data refer to Sydney Manufacturing Pty Ltd for the current year

Sales revenue	\$2,546,000
Raw material inventory, 1 January	106,800
Purchase of raw material	877,200
Raw material inventory, 31 December	70,800
Direct labour cost incurred	568,800
Selling and administrative expense	322,800
Indirect Labour cost incurred	180,000
Council rates	108,000
Depreciation on factory building	150,000
Income tax expense	30,000
Indirect material used	54,000
Depreciation on factory equipment	72,000
Insurance on factory and equipment	48,000
Electricity for factory	84,000
Work in Process inventory, 1 January	0
Work in Process inventory, 31 December	48,000
Finished goods inventory, 1 January	42,000
Finished goods inventory, 31 December	48,000

Required (Maximum 250 words for Question B)

- A. Prepare Schedule of cost of goods sold and Income statement. (5 Marks)
- B. What is the relationship between the Schedule of Cost goods manufactured and cost of goods sold in Sydney Manufacturing Pty Ltd? (5 Marks)