

Assessment task 2 - Group Assignment 25%.

The group will consist of **4 students**. Groups less than 4 students will need to be approved by the lecturer/tutor. The main purpose of this assignment is to assess the student's ability of conducting an extensive case study covering several of the topics in this unit, team working and communication skills.

Due date: Week 9 (6 May 2016, 17:00).

How to submit: A copy of the assignment must be uploaded onto LEO through Turnitin system with the file name as ACCT204_groupNumber.docx. The similarity index report from the Turnitin is considered for marking purpose.

Assignment Question:

The following budgeted information relates to ABC Ltd for the forthcoming period:

	Product X	Product Y	Product Z
Sales and production (units)	50,000 units	40,000 units	30,000 units
Selling price (per unit)	\$45	\$95	\$73
Prime cost (per unit)	\$32	\$84	\$65

	Hours	Hours	Hours
Machine department (machine hours per unit)	2	5	4
Assembly department (direct labour hours per unit)	7	3	2

Overheads allocated and apportioned to production departments (including service cost centre costs) were to be recovered in product costs as follows:

1. Machine department at \$3.50 per machine hour,
2. Assembly department at \$1.20 per direct labour hour.

The management ascertains that the above overheads could be re-analysed into 'cost pools' as follows:

Cost pool		Cost driver	Quantity for the period
Machining services	\$357,000	Machine hours	420,000
Assembly services	\$318,000	Direct labour hours	530,000
Set-up costs	\$30,000	Set-ups	530
Order processing	\$156,000	Customer orders	32,000
Purchasing	\$84,000	Supplier orders	11,200
Total	\$945,000		

The management has also provided you with the following estimates for the period:

	Product X	Product Y	Product Z
Number of set-ups	120	200	210
Customer orders	8,000	8,000	16,000
Suppliers' orders	3,000	4,000	4,200

Requirements:

You are to provide a report of not more than 1,500 words (on written part only excluding numerical information) that includes the income statements using both conventional absorption costing and activity-based costing and comment on why certain costing method is considered to present a fairer valuation of the product cost per unit.

Notes on submission

Students must submit the group assignment in **Word** document via Turnitin in LEO before due date. Each group assignment must be submitted by only one of the members of the group with the file name as "**ACCT204_groupNumber.docx**". The submitted softcopy of the group assignment must have all the names in the group in the header or footer. The assignment in the form of hardcopy or email attachment will not be marked. The standard cover sheet must be signed by all group members stating that the work is original must be submitted to tutor separately in tutorial of week 10. All assignments must be typed in Times New Roman or Arial font, size 12, 1.5 to 2.0 spacing, justified (align to both left and right).

GRADING CRITERIA

Bases of assessment	Marks available	Marks awarded	Comments
Introduction paragraph(s)	1		
Research – Selection of relevant materials and use of literature to support the results	2		
Expression of your viewpoint (not a catalogue of quotes/ others' ideas)	2		
Expression – clarity, style (formal and academic), coherence in writing, grammar, punctuation, spellings and sentence	2		
Conclusion paragraph(s)	1		
The group has calculated correctly the product cost per unit.	3		
The group has provided the appropriate profit statements using conventional and activity-based costing	4		
The group has discussed the information revealed from the profit statements and able to relate it to company's financial performances.	4		
The group has provided valid reasons for recommending an overhead allocation method	4		
Referencing procedure (within the text and at the end of text)	1		
Overall presentation – including cover page, line spacing, page numbering.	1		
Total	25		