



Private & Confidential

BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ACC2223 Revenue and Profit Management**
Trimester & Year : May – August 2018
Lecturer/Examiner : Ms. Chong Poh Ling
Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (20 marks) : Answer all TWENTY (20) multiple choice questions. Answers are to be shaded in the Multiple Choice Answer Sheet provided.
PART B (80 marks) : Answer all FOUR (4) short answer questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

Total Number of pages = 6 (Including the cover page)

PART B : SHORT ANSWER QUESTIONS (80 MARKS)

INSTRUCTION(S) : FOUR (4) short answer questions. Answer ALL questions. Answers are to be written in the Answer Booklet provided.

Question 1

Briefly describe the following terms:

- a) Profit based on the accountant's formula and profit based on the economist's formula (4 marks)
 - b) Hard constraint supply and soft constraint supply (4 marks)
 - c) Yield management (4 marks)
 - d) Market segment (4 marks)
 - e) Revenue manager (4 marks)
- [Total: 20 marks]**

Question 2

- a) Explain with example the term "two-tiered price". (4 marks)
 - b) Describe **THREE (3)** advantages of practicing two-tiered price to a business organization. (6 marks)
 - c) Discuss **FIVE (5)** ways to carry out tiered pricing. (10 marks)
- [Total: 20 marks]**

Question 3

In their book Free to Choose: A Personal Statement, economists Milton and Rose Friedman pointed out the complexity of understanding buyer behavior when they note that buyers utilize not just one but rather four different and unique value formulas when considering a purchase. The specific value formula utilized depends on whose money is being spent and who receives the benefit of the transaction.

- a) Illustrate the **FOUR (4)** value alternative value formulas in a table. (2 marks)
 - b) Elaborate **EACH** of the four alternative value formulas, and provide an example for each alternative. (16 marks)
 - c) With regards to Value Formula D, explain the responsibilities of a meeting planner. (2 marks)
- [Total: 20 marks]**

Question 4

a) San San Company sells several consumer products. Information of average revenue and costs are as follows:

Selling price per unit	\$20.00
Variable costs per unit:	
Direct materials	\$4.00
Direct manufacturing labor	\$1.60
Manufacturing overhead	\$0.40
Selling costs	\$2.00
Annual fixed costs	\$96,000

i) Calculate the contribution margin per unit.

(4 marks)

ii) Calculate the number of units San San must sell each year to break even.

(4 marks)

iii) Calculate the number of units San San must sell to yield a profit of \$144,000.

(4 marks)

b) Ban Ban Cellular sells phones for \$100. The unit variable cost per phone is \$50 plus a selling commission of 10%. Fixed manufacturing costs total \$1,250 per month, while fixed selling and administrative costs total \$2,500.

i) What is the contribution margin per phone?

(4 marks)

ii) What is the breakeven point in phones?

(4 marks)

[Total: 20 marks]

END OF QUESTION PAPER

