

**SCHOOL OF COMPUTING AND ENGINEERING SCIENCES**

**BACHELOR IN BUSINESS INFORMATION TECHNOLOGY**

**GROUP ASSIGNMENT**

**BBT 3105: COST ACCOUNTING FOR INFORMATION SYSTEMS-FT DATE: Thursday 17th JULY 2025 11:59 P.M**

|  |  |  |
| --- | --- | --- |
| **GROUP MEMBERS** | | |
|  | **STUDENT NUMBER** | **STUDENT NAME** |
| **1** |  |  |
| **2** |  |  |
| **3** |  |  |
| **4** |  |  |
| **5** |  |  |
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| **9** |  |  |
| **10** |  |  |

**\*\*Key the group members in the above table in your submission\*\***

**Instructions: (READ THE INSTRUCTIONS BELOW CAREFULLY.**

**Type the group assignment solutions and submit in word Format**

1. The group assignment entails computing the total cost incurred in the manufacture of electronic products.
2. For this group assignment you will be required to identify one electronic product that is manufactured by the largest electronics companies globally.

You can visit the following websites and identify the product that you want to focus on.It is okay to also consider other electronics companies that you wish that are missing from the list below;

[**https://www.apple.com/**](https://www.apple.com/)

[**https://www.samsung.com/us/**](https://www.samsung.com/us/)

[**https://www.lg.com/eastafrica**](https://www.lg.com/eastafrica)

[**https://www.huawei.com**](https://www.huawei.com)

1. Assume that the electronics company has a production facility located in Nairobi.
2. Assume that you have received a special order from a customer to manufacture **100 units** of the selected electronic product.
3. Also assume that the company will use **the Job costing method.**
4. **Assume that the job will take four weeks to complete working from Monday to Saturday 8 Hrs per day.Total Direct Labour Hours for the Job will be given by**

**6 Days \*8 Hrs per Day \* 4 Weeks = 192 Hrs**

1. From this estimate the various costs that would be incurred within the manufacture of your selected electronic product assuming the production was taking place here in Kenya.

A Hint on this:

**HUAWEI P40 Pro+**





Forexample if the product you have picked is **HUAWEI P40 Pro+**

1. **Direct material cost:**

You will have to first do some research to find the materials that are used to make that phone.

e.g

|  |  |
| --- | --- |
| **Direct Material cost** | Cost |
| Camera | xxx |
| Screen | xxx |
| RAM | xxx |
| Processor | xxx |
| Motherboard | xxx |
| Total Direct Material cost | xxx |
|  |  |
| Add Direct Labour Cost | xxx |
|  |  |
|  |  |
| Add any Other Direct | xxx |
|  |  |
| **Prime cost** | **xxx** |
|  |  |
|  |  |

**Example 2: If you pick HP ENVY 13**

1. **Identify all the material component parts used in the assembly of the laptop as follows and**

**HP Envy 13 (2021): Specs**

* Screen: 13.3in 1,920 x 1,080 IPS.
* Processor: 2.4GHz Intel Core i5-1135G7.
* Graphics: Nvidia GeForce MX450.
* Memory: 16GB LPDDR4.
* Storage: 512GB SSD.
* Ports: 2 x USB 3.2 Gen 1, 1 x USB 3.2 Gen 2 Type-C/power delivery, 1 x audio, 1 x microSD.
* Connectivity: Dual-band 802.11ax WiFi, Bluetooth 5.
* **From the above find the estimated costs of the above materials used to make the laptop to get the laptop and that will be the direct material cost estimate for one laptop.Then multiply the direct material cost per laptop with 100 to get the total direct ,material cost for the 100 laptops.**
* **You can try to find the prices of the material component parts online on websites like alibaba so probably don’t pick an electronic product that was released in 2025**

1. **Direct Labour cost:**

* **This can be estimated by finding how much salaries and wages could be paid to the employees who are involved in the production of the product.**
* **Identify and estimate the employees who will be involved**

**From above example you could have the following;**

* **10 employees will be working on production and assembly of the mother board and will be paid 1,500 per hour working 50 hrs in total that will be calculated as ;**

**1,500 \*50 hrs \* 10 employees =750,000**

* **20 employees will be working on assembly of the body casing ,keyboard and cameras and will be paid 3,000 per hour working 50 hrs in total that will be calculated as;**

**3,000 \*50 Hrs \* 20 employees = 3,000,000**

* **10 employees will be working on packaging and will be paid 2,000 per hour working 50 hrs in total that will be calculated as;**

**2,000 \*50 Hrs \* 20 employees = 2,000,000**

**Based on above estimates the Total Direct Labour cost will be =750,000+3,000,000+2,000,000=5,750,000**

1. **Other Direct costs:**

**Identify and estimate any other direct costs**

1. **Overheads:**

**Identify any estimate the various overhead costs**

1. **Production/factory overheads;**

The company allocates Factory overheads using the following budget figures are provided.

|  |  |
| --- | --- |
| Budget Factory overhead cost | Shs 25,500,000 |
| Budgeted direct labour hours | 32,500 hours |

**Note:** The company allocated Factory overheads to customer jobs using the Budgeted direct labour hours as the absorption base.

1. **Administration overheads:**

* **Identify and estimate some of the administration overhead costs that will be incurred and provided estimates.Provide fair estimates.**

**e.g CEO salary per year 12,000,000**

1. **Selling and distribution overheads**

**Identify and estimate some of the c) Selling and distribution overheads overhead costs that will be incurred and provided estimates.Provide fair estimates.**

**e.g marketing manager salary per year 7,000,000**

**NB:**

**Marks distribution:**

1. **Identification of estimation all the costs will have (20 marks)**
2. **Preparation of the job cost sheet (10 marks)**