

END SEMESTER EXAMINATION

Cost & Management Accounting: MTCM0092

Total Marks: 100

Duration: 3 hrs

1. Answer the following questions: [1x10=10]
 - a) Prime Cost = [Indirect Material + Indirect Labour + Indirect Expenses/
Direct Material + Direct Labour + Direct Expenses/Both/ None of the above] [CO1]
 - b) "Depreciation of delivery van" is an example of ... [Factory Overhead/
Administrative Overhead/ Selling Overhead/ Distribution Overhead] [[CO1]
 - c) How do we calculate " cost of sales" in cost sheet? [Cost of production +
works overhead/ Cost of production + selling overhead/ Cost of production +
office overhead/ None of the above] [CO1]
 - d) Which overhead is also known as "Works Overhead".[Administrative
Overhead/ Selling Overhead/ Distribution Overhead/ None of the above] [CO2]
 - e) PV ratio = ... [Contribution/Sales/ Fixed cost + Profit/Sales/ Sales- Variable
cost/Sales/ All of the above] [CO4]
 - f) If the selling price per unit of a product is Rs 20 and variable cost is Rs 15 per
unit, find out the P/V ratio. [25%/26%/27%/28%] [CO4]
 - g) Contribution = Sales minus [Variable cost/Fixed cost/Both/None of the
above] [CO4]
 - h) The first item in the dr side of format of process costing? [Abnormal
loss/opening stock/ Normal loss/None of the above] [M4] [CO3]
 - i) Electricity is an example of ... [Variable cost/Fixed cost/Semi variable
cost/None of the above] [CO4]
 - j) Direct material variance is also known as ... [Material Price Variance/Material
usage Variance/Both/None of the above] [CO3]

2. Answer briefly any five of the following questions: [3x5=15]
 - a) What is cost accounting? Mention its objectives. [CO1]
 - b) What is Break-Even Analysis? [CO4]
 - c) Fixed cost of an industrial concern is Rs 2,70,000. The variable cost per unit is
Rs 20. The selling price per unit is Rs 30 per unit. Find out the break-even
point in units and in amount. [CO4]
 - d) What is meant by budget? [CO5]
 - e) "There is no difference between a forecast and a budget"- Do you agree.
Explain [CO5]
 - f) What is called master budget? [CO5]

3. Answer any five of the following questions [7x5=35]

- a) Following information are available in respect of Process-A of Product X. Input- 10,000 units at a cost of Rs 50,000; Process materials added Rs 24,000; Direct labour Rs 16,000; Overhead Rs 6,000; Output of process A is 9,600 units; Normal wastage 5% of input, Scrap value of wastage Rs 2 per unit; Prepare Process-A Account. [CO3]
- b) The sales turnover and profit during two years were as follows: 2019- Sales Rs 6,00,000, Profit Rs 85,000 ; 2020 - Sales Rs 6,50,000; Profit Rs 95,000. You are required to find out: i) P/V Ratio, ii) Sales required to earn a profit of Rs 1,10,000. [CO4]
- c) What is Management Accounting? Discuss the characteristics of management accounting. [CO1]
- d) What is Process Costing? Explain the features of process costing. [CO5]
- e) From the following information, calculate i) Material Cost variance, ii)Material Price Variance, iii)Material Usage Variance : Material M- Standard Quantity 320 units, Standard price Rs 32 per unit, Actual Quantity 360 units, Actual price 30 per unit Material N- Standard Quantity 280 units, Standard price Rs 12 per unit, Actual Quantity 320 units, Actual price 16 per unit. [CO4]
- f) What do you understand by Zero base budgeting? How is it different from traditional budgeting? [CO5]

4. Answer any four of the following questions. [10x4=40]

- a) Following information has been obtained from the records of Left-centre Corporation for the period for January 2015.
 Cost of Raw materials Rs 30,000 (on January 1st,2015) Rs 25,000 (on January 31st, 2015);
 Cost of Work-in-progress Rs 12,000 (on January 1st,2015) Rs 15,000 (on January 31st, 2015);
 Cost of stock of Finished Goods Rs 60,000 (on January 1st,2015)
 Rs 55,000 (on January 31st, 2015);
 Transactions during the month are:
 Purchase of raw materials Rs 4,50,000;
 Wages Paid Rs 2,30,000;
 Factory overheads Rs 92,000;
 Administrative overhead Rs 30,000;
 Selling and Distribution overheads Rs 20,000;
 Sales Rs 9,00,000;

Prepare Statement of Cost showing various divisions of cost and also determine the profit earned/loss suffered. [CO1]

- b) How cost accounting has overcome the limitations of financial accounting? Explain with the help of an example. [CO2]
- c) "Costing- an aid to management". Justify this statement. [CO4]
- d) A firm is producing a product which is to be processed in three continuous processes. During the month of January, 2018, 2000 units were produced and the following was the expenditures: Process-A: Materials -Rs 2,000 Labour- Rs 10,000, Direct Expenses Rs 1,000; Process-B: Materials -Rs 4,000 Labour- Rs 8,000, Direct Expenses Rs 1,200; Process-C: Materials -Rs 2,000 Labour- Rs 6,000, Direct Expenses Rs 2,000;.. Indirect expenses amounted to Rs 12,000. These are to be allocated on the basis of direct wages. Raw materials worth Rs 12,000 were issued to Process A. Prepare all three process accounts. [CO3]
- e) What is marginal costing? Discuss about its characteristics. [CO4]
- f) A company working at 50% capacity manufacturers 10000 units of a product. At 50% capacity the product cost is Rs. 180 and sale price is Rs. 200. The breakup of the cost is as below:

Cost per unit

Material	Rs. 100
Wages	30
Factory	30 (40% fixed)
Administrative overheads	20 (50% fixed)

At 60% working raw material cost goes up by 2% and sales price falls by 2%.

At 80% working raw material cost increases by 5% and sale price decreases by same percentage i.e. 5%.

Prepare a statement to show profitability at 60% and 80% capacity. [CO5]