

- Instructions :
- 1) All questions carry 10 marks.
  - 2) Section - I is compulsory.
  - 3) Solve any 3 questions out of 2 question remaining in Section - II.
  - 4) Maximum marks 60 marks
  - 5) Maximum Time : 2 Hours

**SECTION - I**

Q.1

(2 marks each)

- 1) What is Job Costing ? Explain and give examples.
- 2) What are Non-controllable variables in planning ? Explain & give examples.
- 3) What is a Master Budget ?
- 4) What is Break-even-point ? Explain.
- 5) What is uniform costing ?

Q.2

The following direct costs were incurred on Job No. 950 of Josh &amp; Co.

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- i) Materials Rs. 50,000
- ii) Wages
  - Department P 100 hours @ Rs. 20 per hour
  - Department Q 200 hours @ Rs. 25 per hour
  - Department R 300 hours @ Rs. 30 per hour.
- iii) Overhead expenses for these 3 departments were estimated as follows:
  - a) Variable Overheads :
    - Department P Rs. 10,000 for 10,000 Labour hours
    - Department Q Rs. 20,000 for 10,000 Labour hours
    - Department R Rs. 40,000 for 10,000 Labour hours.
  - b) Fixed overheads
    - Estimated at Rs. 60,000 for 30,000 Normal working hours.
    - You are required to calculate the cost of Job No. 950 & calculate the price to give profit of 20% on selling price.

Q.3

A product has to pass through 3 different processes before it can be sold. From the information given below find out Cost of production per unit of that product if 1000 units of the product are manufactured in September 2007.

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Expenses of 1,000 units of product are

Particulars	Process I	Process II	Process III
Material	10,000	6,000	4,000
Wages (Labour)	6,000	4,000	2,000
Direct Expenses	1,000	600	400

The Indirect Expenses for the month for the factory are Rs. 30,000 out of this Rs. 10,000 can be allocated to this product.

The was no stock at end in any process. The indirect expenses should be apportioned to each process on the basis of labour.

**SECTION - II**

- Q.4**
- 1) Give 4 functions of Management Accounting. **4**
  - 2) Give 6 objectives of costing. **3**
  - 3) Distinguish between Cost Accounting and Management Accounting **3**
- Q.5** **(2 marks each)**
- i) What is Batch Costing ? Explain & give examples.
  - ii) What is Normal loss concept in process costing ? Explain.
  - iii) Define cost centre, cost unit Give Examples.
  - iv) What are the advantages of Flexible budget over fixed budget ?
  - v) What is standard costing ?
- Q.6**
- i) What are objectives of Budgetary control system ? **3**
  - ii) List down the capital budgeting Evaluation Techniques.  
What are the criteria used for selecting a capital budgeting evaluation Technique ? **5**
  - iii) What is a cash budget ? **2**
- Q.7** From the information given below compute material variances. **10**
- i) Material cost variance.
  - ii) Material Price variance.
  - iii) Material Vsage variance.

Particulars	Standard			Actual		
	Quantity in kg.	Rate per kg.Rs.	Total Rs.	Quantity in kg.	Rate per kg. Rs.	Total Rs.
Material A	200	20	4,000	100	30	3,000
Material B	400	30	12,000	200	60	12,000
Material C	400	60	24,000	300	50	15,000
<b>Total</b>	<b>1,000</b>		<b>40,000</b>	<b>600</b>		<b>30,000</b>

**Q.8** You are given the following data for the period 1<sup>st</sup> April 2006 to  
March 2007 for Taaza Ltd.

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<b>Particulars</b>	<b>Rs.</b>
i) Sales	32,00,000
ii) Variables Cost	12,00,000
iii) Fixed Cost	8,00,000
iv) Profit	12,00,000
v) No. of units manufactured : 20 lakhs	

You are required to calculate

- i) P/V Ratio.
  - ii) Break -even point in Quantity.
  - iii) Breakeven point in sales Rs.
  - iv) Margin of safety.
  - v) Profit when sales are Rs. 40,00,000; Fixed cost remaining the same.
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