

Q.I Answer any 2 out of 3

1. Explain the term Cost accounting. What are 5A's of Cost Accounting ? 8 marks
2. What are the advantages of Cost Accounting ? 7 marks
3. What are the methods and techniques employed in Cost Accounting ? Explain the concept of Cost Centre and Cost Unit and give examples 7 marks.

Q II Answer any 2 out of 3

1. 8 marks

The following details are provided of Ganesh Ltd. for the month of January 2016. You are required to find out the value of closing inventory on 31st January by adopting the Weighted Average method.

Date for the month of	Receipt/ Issues (units)	Rate per unit in Rs.
January 2016		
5.01.2016	Balance 200	100
10.01.2016	Receipt 400	120
18.01.2016	Issue 500	----
27.01.2016	Receipt 200	130
31.01.2016	Issue 200	----

2. 7 marks

According to the Factory Job Cost Ledger of Geeta Ltd. Job No. 900 has incurred the following costs.

Particulars	Rs.
Direct Materials	Rs. 5,00,000
Direct Wages	
Department P	1000 hours @ Rs. 50 per hour
Department Q	500 hours @ Rs. 60 per hour
Yearly budgeted Variable Overheads	
Department P	Rs. 1,00,000 for 1,00,000 direct labour hours
Department Q	Rs. 15,00,000 for 3,00,000 direct labour hours
Total budgeted Fixed Overheads for Whole factory	Rs. 20,00,000
Budgeted Direct labour Hours	10,00,000

You are required to calculate the sales price of Job no. 900 that gives a profit of 20 % on sales price by preparing a Cost Sheet.

3. What are the Objectives and Prerequisites of Material Control System ? 7 marks

Q III Answer any 2 out of 3

1.

8 marks

Sun Ltd.'s Trading and Profit and Loss Account for the year ended 31st December 2015 is given below

Trading and Profit and Loss Account For the year ended 31st December 2015

Particulars	Rs.	Particulars	Rs.
To Purchases	75,630	By Sales (1,50,000 units @ Rs. 1.50 each)	2,25,000
To Direct Wages	31,500	By profit on sale on Machinery	7,800
To Factory Overheads	36,390	By Closing stock	12,240
To Administration Overheads	16,020		
To Selling and Distribution Overheads	21,300		
To Depreciation	3,300		
To Net Profit	60,900		
Total Rs.	2,45,040		2,45,040

Adjustments

The profit as per Cost Accounting was Rs. 59,310 after considering the adjustments given below

- Closing stock was valued at Rs. 12,840.
- Factory Overheads taken at 100 % of Direct wages.
- Selling and Distribution Overheads charged at 10 % of Sales.
- Administration Overheads charged at 10 paise per unit sold.
- Depreciation taken at Rs. 2400.

You are required to prepare Reconciliation Statement to reconcile the profit as per Cost Accounting with that of Financial Accounting .

2. Define the term Overheads. Explain the Functional Classification of Overheads with respect to

(i) Manufacturing Overheads

(ii) Office and Administration Overheads

(iii) Selling and Distribution Overheads

7 marks

3. What is ' Reconciliation between Cost Accounting and Financial Records ' ?

Explain the causes for difference between Costing profit and Financial profit. 7 marks

Q IV Answer any 2 out of 3

1. Explain the following :

8 marks

(i) Contribution

(ii) P/V Ratio

2. Define the term Marginal Costing and explain the uses of Marginal Costing ?

7 marks

3. Explain the following :

7 marks

1. Objectives of Budgetary Control

2. Advantages of Budgetary Control

Q V

15 marks

Following information is given in respect of Kaya Ltd. for the year ended 31st December 2015

1 Output 60,000 units

2. Selling Price per unit Rs. 100 .

3. Variable Price per unit Rs. 80.

4. Total Fixed Cost Rs. 10,00,000 .

You are required to calculate the following :

1. Breakeven Point (units).

2. Breakeven Point Sales in Rs.

3. P/V Ratio

4. Margin of Safety in units and Rs.

5. Sales value to earn a profit of Rs. 5,00,000.

6. Profit when units sold are 65,000.