SYBBI
2/5/18
2 to 4:30
Pg. 1-3

D

Cost Acctg.

(120)

Q. P. Code: 37091

Maximum Marks: 75 Duration: 2 ½ hrs

Note: 1) There are 5 questions with internal choice
2) Each question carries 15 marks.
3) Suitable assumptions and working notes should form the part of your answer.

1) A) Fill in the blanks (any 8): (08)

1) A _________ is a place to which costs can be traced or segregated.
2) Costs that cannot be identified with the finished products are called ______ costs .
3) Carriage outwards is an example of _______ overheads.
4) As units manufactured decreases, fixed cost per unit will _______.
5) Dividend received is recorded in _______ accounts only.
6) _______ cost is a predetermined cost and relate to each element of cost.
7) Idle time variance is associated with _______ variance.
8) Contribution is the test of _______.
9) _______ costing is a technique of controlling by bringing out relationship between profit and volume.
10) _______ Variance is the difference between Standard cost of labour and Actual cost of labour.

B) Rewrite the given statements and state whether they are true or false (any 7):(07)

1) Cost accounting is an essential tool of management.
2) Imputed costs are the notional costs that do not involve any cash outlay.
3) Sale of scrap of materials is deducted from factory overheads.
4) Prime cost is an Indirect Cost.
5) Donations paid are recorded in Financial accounts only.
6) Bad debts recovered are recorded on the debit side of Financial Profit & Loss Account.
7) Purchase manager is responsible for efficient buying of materials.
8) Labour rate variance is adverse when actual rate is lower than standard rate.
9) Marginal cost is a fixed cost.
10) At Breakeven point Total revenue = Total costs.

2) A) Following information is provided to you by Violet Ltd. for the half year ended 31st March, 2016:

Particulars	Rs.
Purchases of raw materials	30000
Direct wages	25000
Rent of factory building	10000
Carriage inwards	1200
Cost of factory supervision	4800
Sale of finished product (15000 units)	75000
Advertisement	6000
Computer purchased	25000
Stock on 1st October, 2015:	

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Raw Materials Work-in-Progress Finished goods (1000 units)	5000 1200 4000
Stock on 31st March, 2016: Raw Materials Work-in-Progress Finished goods (2000 units)	 4200 3000 ????
Depreciation on Office Furniture	3000
Other office expenses	2000
Commission on sales (@ Rs. 1 per unit sold)	

Finished goods at the end are valued at Cost of Production.

Prepare a detailed cost sheet. (15)

OR

B) Indigo Ltd. gives you the following data for the year ended 31st March, 2016:

Particulars	Financial Accounts	Cost Records
Direct Materials (Rs.)	600000	600000
Direct Wages (Rs.)	380000	400000
Factory expenses (Rs.)	250000	20% of Prime cost
Administrative expenses (Rs.)	280000	25% of Factory cost
Selling expenses (Rs.)	190000	10% of Sales
Sales (Rs.)	2000000	2000000
Preliminary expenses written off (Rs.)	50000	----
Interest received	20000	----

Prepare: a) Cost Sheet, b) Financial Profit & Loss A/c and c) Profit Reconciliation Statement (15)

3) A) Blue Ltd. furnishes you the following information for the month of March, 2016:

Particulars	Budgeted	Actual
Output (units)	30000	32500
Hours	30000	33000
Working days	25	26
Fixed Overheads (Rs.)	60000	58000

Calculate all the fixed overhead variances. (15)

OR

B) Green Ltd. produces a certain chemical, the standard material cost being:

40% of material X at Rs. 2 per kg

60% of material Y at Rs. 3 per kg.

Standard loss of 20% is expected in production.

During the month of April, 2016, 171 kgs of chemical was produced from the use of 90 kgs of material X at Rs. 1.8 per kg and 110 kgs of material Y at Rs. 3.5 per kg.

Compute all possible Material Variances. (15)

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4) A) Following particulars are submitted to you:

Fixed cost Rs. 4000, Variable cost per unit Rs. 1.5, Selling price per unit Rs. 3 and units sold 5000.

Calculate: i) Profit Volume ratio

ii) Break even point (in units)

iii) Margin of Safety (in Rupees)

iv) Sales (units) to earn a profit of Rs. 5000

v) Profit when sales are Rs. 12000 (15)

OR

B) A company incurred a loss of Rs. 30000 by selling 10000 units. Its variable cost per unit is Rs. 8 and fixed cost amounted to Rs. 50000.

Find: (15)

i) Profit Volume Ratio

ii) Break Even point (units)

iii) Profit when company sells 12000 units

iv) Sales required to earn a profit of Rs. 40000

v) If selling price increases by 15% what will be the new Profit volume ratio?

5) A) What is a Coding System? List the advantages of a Coding System. (08)

B) What is Cost Accounting? List the objectives of Cost Accounting? (07)

OR

Write short notes on (any 3): (15)

A) Cost Unit V/s Cost Centre

B) Reasons for disagreement between Costing Profit and Financial Profit

C) Types of Standards

D) Limitations of Marginal costing

E) Dis-advantages of standard Costing

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