

[Time: 3.00 Hrs]

[Marks: 75]

Please check whether you have got the right question paper.

Instructions :

1. Q1 (20 marks) & Q8 (15 marks) are compulsory.
2. Attempt Any Four (40 marks) out of Q2, Q3, Q4, Q5, Q6 and Q7.
3. Students have to attempt any four out of the remaining six questions and within each question; students have to attempt any one out of two sub – questions. Each sub – question would carry 10 Marks.
4. Figures to the right indicate full marks.
5. Draw neat diagrams wherever necessary.

Q.1 Read and attempt the following:

a. Fill in the Blanks:

10 Marks

1. The distinctive feature of ABC is its focus on activities as the objects.
2. ABC stand for
3. ABC creates a between activities and products
4. Activities are used as a base for overhead costs to products.
5. ABC technique provides and cost information.
6. Basic objectives of cost accounting is
7. Overhead cost is the total of
8. Imputed cost is a
9. Operating costing is suitable for
10. Direct cost incurred can be identified with

b. State whether True or False:

10 Marks

- 1) A cost object is anything for which a cost measurement is desired.
- 2) An actual cost is the cost incurred—a historical or past cost.
- 3) Accountants define a cost as a resource to be sacrificed to achieve a specific objective.
- 4) A cost is a resource sacrificed or forgone to achieve a specific objective.
- 5) Managers use cost accumulation data to make decisions and implement them.
- 6) A cost may be direct for one cost object and indirect for another cost object.
- 7) Assigning indirect costs is easier than assigning direct costs.
- 8) A direct cost of one cost object can be an indirect cost of another cost object.
- 9) The cost of electricity used in the production of multiple products would be classified as an indirect cost.
- 10) The broader the cost object definition, higher the proportion of direct costs are of total costs.

Q.2 Attempt any One of the following:

10 Marks

- (a) The following data relates to the manufacture of a standard product during April 2023.

Raw Material	Rs. 180,000
Direct Wages	Rs. 90,000
Machine Hours Worked	10,000
Machine Per Hour Rate	Rs. 8
Administration Overheads	Rs. 35,000
Selling Overheads Per Unit	Rs. 5
Units Produced	4,000
Units Sold	3600
Selling Price Per Unit	Rs. 125

You are required to prepare a cost sheet in respect of the above following: Cost Per Unit & Profit for the month.

- (b) The following information has been obtained from the records of XYZ Company for the period 1st Dec to 30th Dec. 2023.

	On 1 st Dec. 2023 Rs.	On 30 th Dec. 2023 Rs.
Cost of raw material	60,000	50,000
Cost of work in progress	12,000	15,000
Cost of stock of finished goods	90,000	1,10,000
Purchase of raw materials during Dec. 2023		4,80,000
Wages Paid		2,40,000
Factory Overheads		1,00,000
Admin Overheads (Production related)		50,000
Selling & Distribution Overheads		25,000
Sales		10,00,000

Prepare a cost sheet.

Q.3 Attempt any one of the following:

10 Marks

- (a) What are the various method of Costing?
(b) What are the variant of Process costing?

Q.4 Attempt any one of the following:

10 Marks

(a) A product passes through three processes – A, B and C. 10,000 units at a cost of 1.10 per unit were issued to Process A. The other direct expenses were as follows:

	Process A	Process B
Sundry materials	1,500	1,500
Direct labour	4,500	8,000
Direct expenses	1,000	1,000

(a) The scrap of Process A was 5% & in Process B 4% on input.

(b) The scrap of Process A was sold at 0.25 per unit & that of Process B at 0.50 per unit and that of Process C at 1.00 per unit.

(c) The overhead charges were 160% of direct labour.

The final products were sold at 10 per unit fetching a profit of 20% on sales. Prepare three process accounts and find out the number of units of scrap in Process C.

(b) A product is completed in three consecutive processes. During a particular month the input to Process 1 of the basic raw material was 5,000 units at 2 per unit. Other information for the month was as follows:

	Process 1	Process 2
Output (Units)	4,700	4,300
Normal loss as % of input	5%	10%
Scrap value per unit ()	1	5
Direct wages ()	3,000	5,000
Direct expenses ()	9,750	9,910
Overhead	32,000 total, chargeable as percentage of direct wages. There were no opening or closing work- in-progress stocks. Compile three process and finished stock account with details of abnormal loss and gain, where applicable.	

Q.5 Attempt any one of the following:

10 Marks

(a) The following information was extracted from the books of Ram Ltd.

Particular	Rs.
Sales (10,000 unit)	1,00,000
Variable Cost	60,000
Fixed Cost	30,000

Find out: 1) P/v Ratio

2) Break Even Point

3) Margin of Safety

4) Sales require to earn profit of Rs.20,000/-

5) Profit when sales are Rs.3,00,000/-

(b) The turnover and Total costs during the two periods were as follows:

	Sales	Total cost
1 st Period	25,000	20,000
2 nd Period	37,500	27,500

Calculate:

1) P/v Ratio

2) Fixed Cost

3) Break Even Point

4) Amount of profit or loss when sales are Rs.20,000/-.

5) Amount of sales required to earn a profit of Rs.7,500/-.

6) Margin of safety, when sales are Rs.30,000/-

Q.6 Attempt any One of the following:

10 Marks

(a) What are the limitation of Budget?

(b) What are the advantage of Budgeting?

Q.7 Attempt any One of the following:

10 Marks

(a) From the following information, Calculate: Material Cost Variance, Material Price Variance, and Material Usages Variance.

Standard Quantity for 100 Units	800Kg
Standard rate per Kg	Rs.6.40
Actual Production	45,000 Units
Actual Material Used	3,50,000Kgs
Actual Material Cost	Rs.22,05,000

(b) The standard material cost for 1,000 kg of chemical Z is made up: Chemical A 300 kg. @ Rs.4 per kg Chemical B 400 kg. @ Rs.5 per kg Chemical C 800 kg. @ Rs.6 per kg

In a batch 5,000 kg. of chemical Z were produced from a mix of Chemical A 1,400 kg.

@ Rs.5,880

Chemical B 2,200 kg. @ Rs.10,560

Chemical C 4,400 kg. @ Rs.28,600.

Calculate: Material Cost Variance, Material Price Variance, Material Usages Variance, Material Mix Variance, Material Yield Variance.

Q.8 Write short notes on Any three the following:

15 Marks

- (a) Standard Cost
- (b) Service Costing
- (c) Environment Costing
- (d) Life Cycle Costing
