

[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) Multiple choice question.

10Marks

i. Which of these is not an objective of Cost Accounting?

- (a) Ascertainment of Cost
- (b) Determination of Selling Price
- (c) Cost Control and Cost reduction
- (d) Assisting Shareholders in decision making

ii. A profit center is a centre

- (a) Where the manager has the responsibility of generating and maximizing profits
- (b) Which is concerned with earning an adequate Return on Investment
- (c) Both of the above
- (d) Which manages cost

iii. Responsibility Centre can be categorised into:

- (a) Cost Centers only
- (b) Profit Centres only
- (c) Investment Centres only
- (d) Cost Centres, Profit Centres and Investment Centres

iv. Conversion cost includes cost of converting.....into.....

- (a) Raw material, WIP
- (b) Raw material, Finished goods
- (c) WIP, Finished goods
- (d) Finished goods, Saleable goods

v. Sunk costs are:

- (a) relevant for decision making
- (b) Not relevant for decision making
- (c) cost to be incurred in future
- (d) future costs

vi. Describe the method of costing to be applied in case of Nursing Home:

- (a) Operating Costing
- (b) Process Costing
- (c) Contract Costing
- (d) Job Costing

- vii. Out of the following, what is not the work of purchase department:
- Receiving purchase requisition
 - Exploring the sources of material supply
 - Preparation and execution of purchase orders
 - Accounting for material received
- viii. Labour turnover means:
- Turnover generated by labour
 - Rate of change in composition of labour force during a specified period
 - Either of the above
 - Both of the above
- ix. Overhead refers to:
- Direct or Prime Cost
 - All Indirect costs
 - only Factory indirect costs
 - Only indirect expenses
- x. Cost of abnormal wastage is:
- Charged to the product cost
 - Charged to the profit & loss account
 - charged partly to the product and partly profit & loss account
 - not charged at all.

(b) True or false.**10 Marks**

- Fixed cost per unit remains constant.
- Variable cost per unit remains constant.
- Contribution is the difference between the total sales and fixed cost.
- Direct materials are generally included in overhead budget.
- Cash budget indicates the amount of loan required as well as the time when it is needed.
- A Master Budget is the master plan drawn up by the organisation for the budget period.
- Fixed budget is suitable for fixed expenses.
- An ongoing, systematic approach is not necessary for an environmental management system to function properly.
- Raw materials, operating and maintenance expenses, as well as direct costs related to capital investments.
- Normal loss is controllable.

Q.2 Attempt any one of the following:**10 Marks**

A) Bombay Manufacturing company submits the following information on 31-3-2019

	Particulars	Rupees
	Sales for the year	2,75,000
	Inventories at the beginning of the year-	
-	Raw Materials	3,000
-	Work in Progress	4,000

-	Finished Goods	1,10,000
	Purchase of materials	65,000
	Direct Labour	6,000
	Inventories at the end of the year -	
-	Raw Materials	4,000
-	Work in Progress	6,000
-	Finished Goods	8,000
	Other expenses for the year –	
	Selling expenses	27,500
	Administrative expenses	13,000
	Factory overheads	40,000

Prepare Statement of cost

(B) Explain the classification of cost sheet.

Q.3 Attempt any one of the following:

10 Marks

(A) Y Ltd. manufactures a chemical product which passes through three processes. The cost records show the following particulars for the year ended 30th June Input to I process 20,000 units @ 28 per unit.

Particulars	Process 1	Process 2	Process 3
Materials	48,620	1,08,259	1,03,345
Labour	32,865	84,553	77,180
Expenses	2,515	10,588	16,275
Normal Loss	20%	15%	10%
Scrap value per unit	1	2	3
Actual Output (Units)	18,000	16,000	15,000

Prepare Process Accounts. Also show process cost per unit for each process.

(B) What are the objective of process costing?

Q.4 Attempt any one of the following:

10 Marks

(A) Tata Motors Manufacturing Concern furnishes the following information:

Standard: Material for 70 kg finished products 100 kg.

Price of material 1 per kg.

Actual: Output 2,10,000 kg.

Material used 2,80,000 kg.

Cost of Materials 2,52,000

calculate: (a) Material usage variance, (b) Material price variance, (c) Material cost variance.

(B) Differences between Absorption Costing and Marginal Costing?

Q.5 Attempt any one of the following:

10 Marks

(A) From the following data, you are required to calculate:

(a) P/V ratio (b) Break-even sales with the help of P/V ratio. (c) Sales required to earn a profit of Rs. 4,50,000 When:

Fixed Expenses = Rs. 90,000

Variable Cost per unit:

Direct Material = Rs. 5

Direct Labour = Rs. 2

Direct Overheads = 100% of Direct Labour

Selling Price per unit = Rs. 12.

(B) What are the Limitations of Marginal Costing?

Q.6 Attempt any one of the following:

10 Marks

(A) What are the advantage of budgeting?

(B) Explain in brief different types of budgets.

Q.7 Attempt any one of the following:

10 Marks

(A) Explain different type of standard

(B) What are the different classification of variance?

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

15 Marks

(A) Cost center

(B) Revenue center

(C) Profit center

(D) P/V Ratio

(E) Cost Sheet
