

[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. _____ is a detailed budget of cash receipts and cash expenditure incorporating both revenue and capital items.

- (a) Cash Budget
- (b) Capital Expenditure Budget
- (c) Sales Budget
- (d) Overhead Budget

ii. The P/v ratio of a company is 50% and margin of safety is 40%. If present sales is Rs. 30,00,000 then Break Even Point in Rs. will be

- (a) Rs. 9,00,000
- (b) Rs. 18,00,000
- (c) Rs. 5,00,000
- (d) None of the above

iii. Following information is available of PQR for year ended March, 2013: 4,000 units in process, 3,800 units output, 10% of input is normal wastage, Rs. 2.50 per unit is scrap value and Rs. 46,000 incurred towards total process cost then amount on account of abnormal gain to be transferred to Costing P&L will be:-

- (a) Rs. 2,500
- (b) Rs. 2,000
- (c) Rs. 4,000
- (d) Rs. 3,500

iv. In element-wise classification of overheads, which one of the following is not included —

- (a) Fixed overheads
- (b) Indirect labour
- (c) Indirect materials
- (d) Indirect expenditure.

v. Which of the following is an abnormal cause of Idle time:

- (a) Time taken by workers to travel the distance between the main gate of factory and place of their work
- (b) Time lost between the finish of one job and starting of next job

- (c) Time spent to meet their personal needs like taking lunch, tea etc.
- (d) Machine break downs

vi.If overtime is resorted to at the desire of the customer, then the overtime premium:

- (a) should be charged to costing profit and loss account;
- (b) should not be charged at all
- (c) should be charged to the job directly
- (d) should be charged to the highest profit making department

vii.Labour turnover means:

- (a) Turnover generated by labour
- (b) Rate of change in composition of labour force during a specified period
- (c) Either of the above
- (d) Both of the above

viii.Which of the following is not an avoidable cause of labour turnover:

- (a) Dissatisfaction with Job
- (b) Lack of training facilities
- (c) Low wages and allowances
- (d) Disability, making a worker unfit for work

ix.Costs associated with the labour turnover can be categorized into:

- (a) Preventive Costs only
- (b) Replacement costs only
- (c) Both of the above
- (d) Machine costs

x.When the sales increase from Rs. 40,000 to Rs. 60,000 and profit increases by Rs. 5,000, the P/Vratio is —

- (a) 20%
- (b) 30%
- (c) 25%
- (d) 40%

(b) True or false.

10 Marks

- i. Cost volume profit relationship' is a more comprehensive term than 'break-even analysis'.
- ii. Margin of safety is the difference of actual sale and standard sale.
- iii. Contribution is not only the criterion for deciding profitability.
- iv. Processing units on machines is a unit-level activity.
- v. ABC improves control over overhead costs.
- vi. Setting up equipment is a batch-level activity.
- vii. Cost of diesel is running cost.
- viii. Unit of cost for hospital is per kilometer.
- ix. Ideal standard is difficult to achieve.
- x. A cost variance is a difference between standard cost and actual cost.

Q.P. Code: 00005289

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

A) From the following particulars prepare cost sheet showing various elements of cost:

Particulars	Amt Rs
Opening Stock of Raw Materials	1,10,000
Purchases of Raw Materials	8,25,000
Carriage Outwards	28,500
Direct Wages	4,21,400
Direct Power	25,840
Technical Directors Salary	40,590
Factory Rent, Rates & Insurance	10,140
Sale of Factory Scraps	1,460
Depreciation on Factory Buildings	75,200
Closing Work in Progress	1,20,260
Factory Stationary	12,340
Opening Stock of Finished Goods	45,280
Closing Stock of Raw Materials	36,920
Fees to Brand Ambassador	2,00,000
Stationery and Printing	12,200
Staff Salaries	6,30,000
Trade Discount	1,20,000
Office Rent	60,000
Free Sample Expenses	20,320
Closing Stock of Finished Goods	50,240

Sales are made to earn profit @ 10% on cost price.

(B) Explain Cost of Sale.

Q.3 Attempt any one of the following:**10 Marks**

(A) The product of a company passes through three distinct processes to completion. These processes are known as X, Y & Z. From the past experience, it is ascertained that wastage is incurred in each process as under: Process X - 2%, Process Y - 4%, Process Z - 10%. The wastage at each process possesses scrap value. The wastage of processes X and Y is sold at *2.50 per unit, and that of process Z at 5.00 per unit. The output of each process passes immediately to the next process and finished units are transferred from process Z into stock. The following information is obtained.

Particulars	X	Y	Z
Materials	2,70,000	2,60,000	1,20,000
Wages	4,30,000	2,40,000	1,30,000
Direct Expenses	1,37,500	1,45,000	1,80,000

50,000 units were put in process X at a cost of 10 per unit. The output of each process is as follows: Process X 48,750, Y- 47,000 and Z- 42,000 units. There is no stock of work in progress in any process. Prepare the process accounts.

(B) What is the various method of costing?

Q.4 Attempt any one of the following:**10 Marks**

(A) The standard and actual figures of a firm are as under Standard time for the job 1,000 hours
 Standard rate per hour ₹50
 Actual time taken 900 hours
 Actual wages paid 36,000
 calculate the variances.

(B) Explain Break Even Point?

Q.5 Attempt any one of the following:**10 Marks**

(A) Belly Furniture House before provided following trading results:

Year	Units	Total Cost Rs	Sales Rs
2010	10,000	80,000	1,00,000
2011	12,000	90,000	1,20,000

Find M.O.S. and profit on the basis of M.O.S. for the year 2010 and 2011.

(B) What are the Limitations of Marginal Costing?

Q.6 Attempt any one of the following:**10 Marks**

- (A) Explain the steps for budgetary control.
 (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) 5 tiers of environment costs
 (B) Principles of Product Life Cycle
 (C) Profit center
 (D) P/V Ratio
 (E) Cost Sheet
