

Q.P. Code:00003568

COST AND MANAGEMENT ACCOUNTING**[Time: 3.00 Hrs.]****[Marks: 80]****N.B. (1) Q.1 is Compulsory****(2) Attempt any THREE questions from the Q. No.2 to Q. No.5****Q.1A) State whether the following statements are True or False.****[10]**

1. Scope of management accounting is broader than that of cost accounting
2. A method of costing in which cost of each 'job' is determined is known as Job Costing.
3. Financial accounting information is mainly intended for external users like investors, shareholder, creditors, Govt. authorities etc.
4. Fixed budget refers to budget for fixed assets.
5. Contract costing is a form of job costing.
6. If the selling price decreases, P/V ratio also decreases.
7. Work certified is valued at cost.
8. Costing is defined as, "the techniques and processes of ascertaining costs"
9. Management in Decision Making is one of the Objectives of Cost Accounting.
10. Budgeting means expressing the plans, policies and goals of the enterprise for a definite period in future.

Q. 1B) Match the following**[10]**

A Group	B Group
Contribution to Sales Ratio	Production Cost
BEP	Administration Cost
Margin of safety	Pre-determined Cost
Rent and rates	Selling and Distribution Cost
Factory Expenses	Research and Development Cost
Expense on improving quality of product	Variable Costing
Commission of salesmen	Excess of Actual Sales over BEP sales
Marginal Costing	Variance Analysis
Standard costing	Point of Sales at which No profit, no loss
The cost which are ascertained in advance	Profit Volume Ratio

Q.2 A] From the following particulars, prepare the Stores Ledger Account showing how the value of the issues would be recorded under FIFO methods.

[10]

- 01.12.2023 Opening Stock 1,000 Units at Rs. 6 each
 05.12.2023 Purchased 500 Units at Rs. 24.50 each
 07.12.2023 Issued 750 Units
 10.12.2023 Purchased 1,500 Units at Rs. 24 each.
 12.12.2023 Issued 1,100 Units

15.12.2023 Purchased 1,000 Units at Rs. 25 each
 17.12.2023 Issued 500 Units
 18.12.2023 Issued 300 Units
 25.12.2023 Purchased 1,500 Units at Rs. 26 each
 29.12.2023 Issued 1,500 Units

Q.2 B] From the following particulars calculate the

[10]

Maximum Stock Level.

Minimum Stock Level.

Re-ordering Level.

Average Stock Level.

Normal consumption = 600 units per week.

Maximum consumption = 840 units per week.

Minimum consumption = 480 unit per week.

Re-order quantity = 7200 units.

Re-order period = 10 to 15 weeks.

Normal reorder period = 12 weeks.

Q.3 A] The following are the expenses on a contract which commences on 1st Jan. 2023.[10]

Particulars	Amt (₹)
Materials Purchased	1,00,000
Materials on hand	5,000
Direct Wages	1,50,000
Plant issued	50,000
Direct Expenses	80,000

The contract price was ₹ 15,00,000 and the same was duly received when the contract was completed in August 2013. Charge indirect expenses at 15% on wages. Provide ₹ 10,000 for depreciation on plant and prepare the contract account and the contractee's account.

Q.3 B] Following Data is available.

[10] Sales in units 50000

Selling price ₹10 per unit

Variable cost 70%

Fixed Cost ₹90000

Find out a) P/V Ratio

b) BEP sales,

c) Margin of safety and

d) Profit at Sales of ₹750000

Q. 4 A] For production of 50000 electrical tubes the following are budgeted expenses. [10]

Particulars	(₹) Cost Per Unit
Direct Material	6.00
Direct Labour	3.00
Direct Expenses	1.00
Variable Expenses	2.50
Fixed Overheads (₹15000)	3.00
Selling expenses (10% fixed)	3.00
Administrative expenses (₹ 20000 fixed)	1.00
Distribution expenses (20% fixed)	1.00
Total Cost of sales	20.50

Prepare a budget for production of 30,000, 40,000 and 60,000 units of electric tubes.

Q. 4 B] The Standard Material cost for 500 Kgs of Chemical D is made up of: [10]

Chemical A = 150Kg @ ₹4 per kg

Chemical B = 200Kg @ ₹5 per kg

Chemical C = 400Kg @ ₹6 per kg

A batch of 500kg of chemical D was produced from a mix of:

Chemical A = 140Kg at a cost of ₹588

Chemical B = 220Kg at a cost of ₹1056

Chemical C = 440Kg at a cost of ₹2860

Q. 5 Write Short Notes on: (any four)

[20]

- Financial Accounting VS. Cost Accounting
- ABC Analysis
- Abnormal Process Loss
- Limitations of Marginal Costing
- Classification of cost based on variability