

Q.1

A) TRUE OR FALSE (ANY 8) 8 MARKS

1. Work cost is also termed as Indirect cost.
2. Financial Accounting is a process of accounting for cost.
3. CPU stand for Cost per unit.
4. Variance means difference between actual and standard.
5. BEP stand for Break Even Point.
6. A zero level of output total cost is equal to Zero cost.
7. The aggregate of indirect costs is termed as a overheads.
8. Selling expenses is an example of functional cost.
9. Total cost is equal to variable cost plus fixed cost.
10. MIS stand for Management information system.

B) Match the following

(Any 7)

7 marks.

1. FIFO	1. Technique of costing
2. Overheads	2. $\text{contribution/sales} \times 100$
3. Apportionment	3. Sales - variable cost
4. Semi finished goods	4. No Profit No Loss
5. M.I.S	5. Companies Act
6. Auditors Report	6. Management
7. BEP	7. Work in progress
8. Contribution	8. Distribution
9. PV Ratio	9. Indirect cost
10. Marginal costing	10. First In First Out

Q.2 You are furnished with the following information.

Fixed cost for period	Rs.15000
Variable cost per unit	Rs.10
Selling price per unit	Rs.20
Actual unit sold	5000 units

Determine:

- P/V Ratio
- Break Even Point
- Margin of safety
- Profit, if the sales are 7500 units
- Sales, if profit is Rs.25,000

OR

Q.2 Raja Ltd has the following data for the coming year

Particulars	Rs.
Sales (50,000 units)	5,00,000
Variable cost	3,00,000
Fixed cost	100,000

- Find out P/V Ratio, BEP and Margin of safety
- Evaluate the effect of the followings on the above:
  - 20% increase in physical sales volume.
  - 15% decrease in physical sales volume.
  - 5% increase in variable cost.
  - 10% decrease in fixed cost.

Q.3 Following information has been extracted from the cost record of Audi Auto limited manufacturing spares parts.

Direct material	Per unit
X	Rs.10
Y	Rs.8

Direct wages for X 12 hours at 25 paise per hour.

Direct wages for Y 16 hours at 25 paise per hour.

Variable overheads: 150% of wages, Fixed overhead Rs.750

Selling price for X Rs.30 and For Y Rs.25

The Marketing manager has placed the following alternative before the board of Directors for taking a decision :

- 250 units of X and 250 units of Y.
- 400 units of Y only.
- 400 units of X and 100 units of Y.
- 150 units of X and 350 units of Y.

Analyse the above alternative and advise which of the above sales mixes is to be accented.

Q.4 The accountant of A Ltd for the year ended 31<sup>st</sup> December 2015 shows the following:

Particulars	Rs.
Work office salaries	6,500
Administrative office salaries	12,600
Cash Discount allowed	2,900
Carriage outward	4,300
Carriage Inward	7,150
Bad Debts written off	6,500
Repairs to plant and Machinery	4,450
Rent, Rates and Taxes, Insurance etc	
Factory	8,500
Office	2,000
Sales	4,75,000
Stock of Raw Material	
1 <sup>st</sup> Jan.2015	50,000
31 <sup>st</sup> Dec. 2015	62,800
Material Purchased	1,85,000
Travelling Expenses	2,100
Travellers salaries and commission	7,700
Productive wages	1,26,000
Depreciation on Plant and Machinery	6,500
Depreciation on office furniture	300
Directors fees	6,000
Gas and water ( factory)	1200
Gas and water ( office).	400
Managers salary(1/4 office and 3/4 factory)	15,000
General Expenses	5,000

You are required to prepare a cost statement for the year ended 31<sup>st</sup> December 2015

OR

Q.4 ABC manufacturing company submits you the following information on 31<sup>st</sup> March 2008.

Particulars	Rs.
Sales for the year	2,75,000
Inventories at the beginning of the year were:	
Finished goods	7,000
Work in progress	4,000
Purchase of Raw Material for the year	1,10,000
Raw material at the beginning of the year	3,000
Raw material at the end of the year	4,000
Direct labour	95,000
Factory overhead was 60% of direct labour	?
Inventories at the end of the year were:	
Work in progress	6,000
Finished goods	8,000

Other expenses	12.5% of sales
Selling expenses	7.5% of sales
Administrative expenses	

Prepare a statement of cost.

Q.5

a) What is management accounting and explains its importance? 8 marks

b) Directors Report. 7 marks

OR

Q.5 Short notes (Any 3)

15 marks

a) Advantage of MIS

b) BEP

c) Auditors Report

d) Work Cost

e) Fixed cost and its example

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