Q.1.A) Fill in the blanks: 5 Marks

1) ___________costing is one of the techniques of costing.

2) Sales - Variable cost = _______________.

3) Annual Report of the company is compulsory under___________ Act.

4) ____________ is the angle formed between total cost line and sales line.

5) Marginal cost is also termed as___________ cost.

Q.1.B)Mach the followings: 5 Marks

Column A	Column B
1. Contribution – Fixed cost	1.Factory overheads.
2. Manufacturing Overheads	2.Profit.
3. Wages	3.Variable Cost.
4. Director's fees	4.Selling and distribution overheads.
5. Demonstration Expenses	5.Fixed Cost.
	6.Direct Cost.
	7.Office Overheads.

Q.1.C) State whether the following statements are True or False: 5 Marks

1. P/V ratio indicates fixed cost as a percentage of Sales.
2. Rent Payable is a part of Fixed Cost.
3. Unproductive labour is Direct Cost.
4. Marginal Cost per unit remains unchanged.
5. Marginal cost technique does not help the management in decision making.

Q.2. The sales and profits during the two years were as follows: 15 Marks

Year Ending 31st March	Sales Rs.	Profit Rs.
2009	200000	20000
2010	300000	40000

Calculate:

(a) Profit-Volume(P/V) Ratio.

(b) Fixed Cost.

(c) Break Even Point

(d) If the company wants to have a profit of Rs.6000 what should be the level of sales?

(e) Profit when sales are Rs. 375000

(f) Revised BEP if Fixed Cost increases by 10%

OR

Q.2. Fast-track Ltd.'s summarized performance was declared as(Rs. Lakh): Marks

Particulars	2009	2010
Sales	1000	1200
Profit	400	490

The chairman expects 50% jump in sales during 2011,over 2010.

Required to compute:

(a) Expected profit in the year 2011

(b) Margin of safety in the year 2009

(c) Break-even point in the year 2010.

(d) Capacity utilization in year 2011 if the company is operating at 30% capacity in year 2010.

(e) Sales target in 2011 if profit desired in 2011 was double the 2009 profit.

Make assumptions if necessary and state them expressly.

Marks 15

Q.3.

Mikaldo Engineering Company has received an export order for its sole product that would reqire half of the factory's total capacity which is estimated at 800000 units per annum.The factory is currently operating at 60% level to meet the damand of its domestic customers only.As against the current price of Rs.12.00 per unit,the export offer is Rs.9.00 per unit which is less than the total cost of current production,the break down of which is given below:

Variable Cost	Rs.8.00 per unit
Fixed Overheads	Rs.2.00 per unit
Total Cost	Rs.10.00per unit

The condition of export is that the offer has to be either accepted in full or totally rejected.

The following alternatives are available for decision making:

(a) Accept the order and keep domestic sales unfulfilled to the extent of excess demand for the same.

(b) Increase factory capacity by installing a few balancing machines and equipment and also by making overtime to meet the balance of the required capacity.This will increase fixed overhead by Rs.30,000 annually and the additional cost for overtime work will be 80,000 per annum.

(c) Reject the export offer and remain with the domestic market only.

Prepare statement indicating the alternatives and suggesting the proposal which would be more convenient.

OR

Marks 15

Q.3.

Products	APPLES	LEMONS	ORANGES	PEACHES
Selling per box(RS.)	30	30	60	90
Yield (boxes)/acres	1000	300	200	400

P.T.O.

COSTS/EXPENSES(Rs.)				
Material per acre	540	210	180	300
Labour per acre	600	550	300	390
Packing per box	3	3	6	9
Transport per box	6	6	3	9

Fixed cost Rs.4,20,000.Total Acreage -900. Of this ,600 acres can be used for oran and lemons only and balance for any 4 products. Fractions of acres can not be used. the above products should be sold, with a minimum of 36,000 boxes of any one type. Suggest the usage of land and profit arising therefrom.

Q.4 From the books of accounts of ABC LTD., the following details have b extracted for the year ending 31-03-2015: Marks 15

Particulars	Rs.
Stock of Materials- opening	3,50,000
Stock of Materials-closing	2,20,000
Purchase of Materials	12,00,000
Direct wages	3,50,000
Hire charges for special equipment	55,000
Indirect wages	24,000
Salaries to office staff	55,000
Carriage Inwards	30,000
Demonstration expenses	25,000
Manager's salaries	37,000
General expenses	20,000
Legal charges	22,000
Commission on sales	45,000
Fuel	75,000
Electricity Changes(factory)	45,000
Director's fees	36,000
Repairs to plant and machinery	18,000

Rent(office)	22,500
Rent(factory)	21,700
Depreciation on plant and machinery	70,500
Depreciation on furniture	13,200
Salesman's commission	38,300
Audit fees	3,500
Purchase of machinery	2,55,000

Selling Price is 120% of the cost price.

From the above details prepare cost sheet for the year ending 31-03-2015.

OR

Q.4. Followng details are furnished by Avani Ltd.of expenses incurred during the year ended 31-03-2015. Marks 15

Particulars	Rs.
Productive wages	1,10,000
Purchases of raw materials	2,40,000
Factory Rent	35,000
Cost of Catalogues	17,100
General expenses	18,500
Depreciation on machinery	19,000
Opening stock of raw materials.	25,000
Depreciation of office furniture	12,500
Carriage outward	26,650
Interest on loan	12,700
Closing stock of raw materials	15,000
Distribution of free samples	13,775
Rent of office	11,500
Demonstration expenses	13,300

Machinery loss by fire	8,000
Indirect materials	26,000
Office expenses	27,500
Storekeeper's salary	9,000
Telephone charges(office)	10,000
Commission to salesman	15,675
Cost of special design	90,000
Material handling charges	11,000
Purchase of furniture	1,40,000

Other Information:

(a) Stock of finished goods at the end 500 units to be valued at cost of production.

(b) Number of units sold during the year were 9500

(c) Profit desired on sales is 20%

Prepare cost sheet showing the various elements of cost both in total and per unit ar find out the total profit and per unit profit.

Q.5.a) What is management accounting? Explain the functions of manag accountant? Marks

Q.5.b) what is cost audit ? Explain the advantages of cost audit to the co managemet and consumers ? Marks(

OR

Q.5. Write short notes on followings(any three): Ma

(a) Management information system

(b) Angle of incidence.

(c) Fixed Cost

(d) Auditor's Report

(e) Prime cost and works cost.

—— The End ——