SYBBI SEM IV ATKT COST ACCOUNTING 75 MRKS

VCD 10/10/19

Q1. A] True or False (any 8) 8 mrks

1. Overheads include all the variable expenses
2. Works cost = Prime cost + Office overheads.
3. Interest is not shown in the cost sheet.
4. Profit as per Financial account is the same as the profit as per the cost accounts.
5. Goodwill written off appears only in Financial accounts.
6. Material Cost Variance is always Favourable
7. Standard and Actual Costs Differ
8. The Labour Cost variance is divided into Labour Rate and Idle time Variance
9. Sales – Variable cost = Contribution
10. Contribution and Fixed cost can never be the same.

Q1. B] Match the following columns. (any 7) 7 mrks

A	B
1. Financial Loss	a. Total Cost - Sales
2. Standard costing	b. Method of costing
3. Break even Point	c. Budgeted Output
4. Fixed Cost	d. Always Remains Constant
5. Dividend paid	e. No profit No Loss
6. Carriage inward	f. Prime cost
7. Cost of production	g. Financial Item
8. Carriage outward	h. Works cost + Administrative overheads
9. Profit	i. Financial Accounts
10. Standard Output	j. Sales / Distribution Overheads

Q 2.A]Suzuki motors Ltd. manufactured and sold 2,000 motors in the year ending 31st March, 2018. The summarised accounts are set out below:

Trading and Profit and loss A/c

For the year ending 31st March 2018

Particulars	Rs.	Particulars	Rs.
To Cost of Materials	1,80,000	By Sales	5,00,000
To Direct Wages	1,20,000		
To Manufacturing Cost	50,000		
To Gross Profit	150,000		5,00,000
	5,00,000		
To Management and Staff Salaries	60,000	By Gross Profit	1,50,000
To Rent, Rate & Insurance	10,000		
	30,000		
To Selling Expenses	20,000		
To General Expenses	80,000		
To Net Profit	1,50,000		1,50,000

For the year ending 31st March, 2018 it is estimated that:

a) Output and sales will be 4,000 motors.

b) Price of materials will rise by 20% on the previous year level.

c) Wages per unit will rise by 5%.

d) Manufacturing cost will rise in proportion to the combined cost of material and wages.

e) Selling expenses per unit will remain unchanged.

f) Other expenses will remain unaffected by the rise in output.

Prepare cost statement in total as well as per unit, showing price at which the motors should be marked so as to show profit of 10% on selling price.

15 mrks

OR

Q 2 B] from the following particulars prepare:

a. A statement of cost

b. Profit & loss A/c

c. Statement reconciling the difference in profit & loss as per cost & financial record.

Particulars	Rs.
Opening stock of raw material	144000
Opening stock of finished goods	288000
Purchase of raw materials	864000
Closing stock of raw materials	216000
Closing stock of finished goods	72000
Wages	360000

Calculate factory overhead at 20% on prime cost and office overheads at 80% on factory overheads. Actual Factory overheads amounted to Rs. 254000. Office expenses amounted to Rs. 160000. Selling price was fixed at a profit of 20% on cost.

15 mrks

Q No 3 (a)Calculate the P/V ratio and Break-even point from the following particulars : (8)

	Rs.
Sales	6,00,000
Fixed Cost	1,00,000
Profit	1,50,000

Q no 3 (b) From the following information, calculate the break-even point and turn over required to earn of profit of Rs.30,000. (7)

	Rs.
Fixed overheads	21,000
Variable costs	3 per unit
Selling price	6 per unit

If the company is earning a profit of Rs.30,000, express the margin of safety available to it.

OR

Q No 3 XY Ltd., manufacturers of product P, uses a standard cost system. Standard product and cost specification for 1,000 kg. of product P are as follows :

Ingredients	Qty. kg.	Price per kg.
A	800	2.50
B	200	4.00
C	200	1.00

Material records indicate :
Consumption in Jan.

A 1,57,000 kg. at Rs.2.40 per kg.
B 38,000 kg. at Rs.4.20 per kg.
C 36,000 kg. at Rs.1.10 per kg.

Actual finished production for the month of January is 2,00,000 kg.
Calculate, Variances

Q no 4 (a) The operating results of Delta Ltd. for the last two years are as follows : (8)

Year	Sales Rs.	Profit Rs.
2001	2,70,000	6,000
2002	3,00,000	15,000

Calculate the P/V Ratio & break-even point.

Q no 4 (b) Calculate the P/V ratio and Break-even point MOS from the following particulars : (7)

	Rs.
Sales	5,00,000
Fixed Cost	1,00,000
Profit	1,50,000

OR

Q no 4 (a) Calculate labour cost variance :

Standard hours : 40 – Rate Rs.3 per hour.
Actual hours : 50 – Rate Rs.4 per hour.

Q no 4 (b) The standard hours and time rate for unit component A are given below :

Standard hours per unit : 15
Standard rate : Rs.4 per hour.
Actual data and related information are as under :
Annual production : 1,000 units
Actual hours : 15,300 hours
Actual rate : Rs.3.90 per hour.

Calculate (a) Labour cost variance, (b) Labour efficiency variance, and (c) Labour rate variance.

Q 5. A] Explain the concept of Marginal Costing (8)

Q5. B] Explain the various Costs calculated in the Cost sheet. (7)

OR

Q5. Write shorts on: (Any 3) (15)

1. Break even Point
2. Prime Cost.
3. Fixed & variable cost.
4. Standard Costing
5. Labour Cost Variances