Time: 2 hours 30 minutes **Marks :75**

1) Question No.1 is Compulsory
2) All Workings should form the part of Solution.
3) Use of Simple Calculators is allowed.

Q.1) a) State whether True or False:- (Any 8) **(8)**

1) Fixed Budget is prepared for an indefinite period.
2) P.V. ratio depends upon variable and Fixed cost both.
3) Labour cost variance +Labour Rate Variance =Labour Efficiency Variance.
4) In fixed budgets costs are classified according to their function.
5) Fixed cost per unit remains constant.
6) In forecast, there is a promise or commitment to achieve estimates.
7) Variable cost per unit remains constant with the increase in the volume of output.
8) Sales minus variable is equal to fixed cost plus profit.
9) Fixed overhead expenditure variance is always favorable.
10) The main purpose of marginal costing is cost control.

Q1) b) Fill in the blanks (Any 7) **(7)**

1) Fixed cost is also known as_______.
2) Given Production at 60% activity, 600 units, Material Rs.50 per unit, LabourRs.20 per unit, Direct expenses Rs.5 per unit, Factory overheads Rs.20,000 (60% variable) and Administration expenses Rs.15,000 (60% fixed). What will be the total cost per unit for production at 75% capacity _______
3) __________ factor is defined as the factor in the activities of an organization which, at a particular point of time or over a period, will limit the volume of output.
4) Change in cost/ change in production = ______ cost per unit.
5) __________ decision arises when a firm is selling multiple products.
6) If company uses only one type of material, then following variance cannot be found _________.
7) Sales Variance = Sales Price Variance + __________.
8) Comparison of actual with the standard are done in order to determine _______.
9) A firm has produced the following budget for an activity level of 200,000 units:

Particulars	Rs.
Material	20,000
Direct Labour	40,000
Fixed expenses	70,000

What would be the total cost for 150000 units level of activity? _______________.
10)If sales is Rs.4,00,000 , Fixed cost is Rs.1,00,000 and Profit Volume Ratio is 40% , then profit will be ______.

Q.2) a) Calculate all Material Variances of Galaxy Ltd for the following data. **(15)**

Standard (per unit of output)			Actual (output=1000)	
Material	Qty	Price	Qty	Price
A	40	8	38000	8.5
B	50	7	51000	6.5
C	20	12	24000	11

OR

Q.2) b) S, R & K are three similar plants under same management of Red Chillies Ltd who want them to be merged for better operation. The details are as under **(15)**

Plant	S	R	K
Capacity Operated	75%	100%	60%
Turnover (Rs. in lakh)	500	750	600
Variable cost (% of Sales)	60%	73 1/3%	50%
Fixed Cost (Rs.in Lakh)	100	200	200

You are required to find out

(a) The capacity of the merged factory for break even.

(b) The profit at 80% capacity of the merged plant.

(c) Sales required to earn a profit of Rs. 25 Lakh.

Q.3) a) You are given the following information of Super 30 Ltd for the 2018 **(15)**

Sales (42,500 Units)	Rs. 21,25,000
Variable cost	Rs. 10,62,500
Fixed cost	Rs. 7,00,000

I) Calculate P/V Ratio, Break-Even Point and the Margin of Safety.

II) Evaluate the effect of following on P/V Ratio, Break-Even Point and the Margin of Safety.

a) 10% increase in fixed Cost

b) 20% decreased in Variable Cost

c) 10% increase in Variable Cost

d) 15% decreased in fixed Cost

OR

Q.3) b) The expenses budgeted for production of 1,000 units in Vishnu ltd are furnished below: (15)

Particulars	Per Unit Rs
Material Cost	700
Labour Cost	250
Variable overheads	200
Selling expenses (20% fixed)	130
Administrative expenses (Rs. 2,00,000)	200
Total Cost	1,480

Prepare a budget for production of 600 units and 800 units assuming administrative expenses are rigid for all level of production.

Q.4) a) Fixed cost Rs.1,12,500 **(15)**

B.E.P. Rs.4,50,000

Margin of safety Rs.90,000

Calculate:

1. P.V. Ratio
2. Profit
3. B.E.P
4. Sales to earn a profit of 60,000.
5. Profit when sales was R.s.9,00,000

OR

Q.4) b) From the following information suggest the optimum sales mix. **(15)**

Particulars	Per units
Selling price P Q	 70 50
Materials: P Q	 R.s. 12 R.s. 9
Wages: P Q	 5 hours @ R.s. 4 per hrs. 3 hours @ R.s. 3 per hrs.
Variable overheads	100% of wages
Fixed overheads	R.s.30,000

a) 450 units of P & 350 units of Q
b) 800 units of Q
c) 800 units of P
d) 400 units of P & 400 units of Q

Q5) a) Define Budgetary control & state its advantages. **(8)**

b) Explain benefits of Standard Costing. **(7)**

OR

Q5) Write Short Notes:- (Any 3) **(15)**

1. Purchase Budget
2. Fixed overhead
3. Key Factor
4. Disadvantages of marginal costing.
5. Cost Volume Profit Analysis.

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