

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
TY B.Com, Semester-V, Semester End Examination, November 2023
COST ACCOUNTING-Major III: Techniques of Costing (COD110)

Duration: 2 hours

Max Marks: 80

Instructions:

- 1) Question No. 1 is compulsory.
- 2) Answer any three questions from Q.No. 2 to Q. No. 6.
- 3) Figures to the right indicate maximum marks allotted.
- 4) Enter the appropriate main & sub-question numbers in the answer-book.

1. Following information is provide in respect of AKS Ltd.

(20 Marks)

Sales less returns	Rs. 32,00,000
Variable expenses	Rs. 16,00,000
Fixed cost	Rs. 8,00,000
Profit	Rs. 8,00,000

Find:

- a) Profit volume ratio
- b) BEP in value
- c) Profit when sales is Rs. 35,00,000
- d) Sales required to earn profit of Rs. 8,00,000
- e) Margin of safety when profit is Rs. 4,00,000

2.The cost details for an output of 10,000 units of a product is given as under:

Particulars	Rs.	Rs.
Selling Price		250.00
Less:Direct Materials		100.00
Direct Wages		60.00
Factory Overheads		
Fixed	Rs. 13	
Variable	Rs. 12	25.00
Administrative Expenses		15.00
Selling and Distribution Overheads		
Fixed	Rs. 5.00	
Variable	Rs. 10.00	15.00
Total Cost		215.00
Profit		35.00

The capacity for the firm is 12,500 units. A foreign customer is desirous of buying 2,500 units at a price of Rs. 210 per unit. Advise the manufacturer whether the order should be accepted or not.

(20 Marks)

3.A.In the 40 hours working week, the workers produced 2400 standard labour hours of work. Based on the information below calculate Labour Cost Variance, Labour Rate Variance and Labour Efficiency Variance.

Particulars	Skilled workers	Semi- skilled	Un skilled
Std no. of workers in the gang	30	14	6
Actual no. of workers employed	28	16	6

Std wage rate per hour	3	2	1
Actual wage rate per hour	4	3	2

(10 Marks)

B. The following data relates to Hector Ltd which makes and sells elite pens

Production	3,00,000 units
Sales	2,40,000 units
Selling price per unit	Rs 16
Direct Materials	Rs 7,50,000
Direct labour	Rs 9,00,000
Factory overheads :Variable	Rs 3,00,000
Factory overheads :Fixed	Rs 7,50,000
Selling and distribution overheads : Variable	Rs 3,00,000
Selling and distribution overheads : Fixed	Rs 6,00,000

You are required to present income statement using(a) Marginal costing and (b) Absorption Costing. Account briefly for the difference in net profit between the two. (10 Marks)

4. The Standard material input required for 2000 kgs of a finished product are given below:

Material	Qty in kgs.	Std. Rate per kg(Rs)
X	900	30
Y	800	60
Z	500	80
Total	2200	
Less Std loss	200	
Std. output	2000	

Actual production in a period was 30,000 kgs of the finished product for which the actual quantities of material used and the prices paid thereof are as under:

Material	Qty used in kgs.	Rate per kg(Rs)
X	15,000	38
Y	14,000	84
Z	8,000	130

Calculate: MCV, MPV, MUV, MMV, MYV (20 Marks)

5. A. Explain the different classification of management reports. (10 Marks)

B. Explain the need for Management Control System in an organization. (10 Marks)

6. Write short notes on *any four* of the following: (4X5=20 Marks)

- Application of Break Even Analysis
- Difference between Marginal Costing and Absorption costing(any four points)
- Application of Marginal Costing in profit planning
- Significance of Standard Costing
- Importance of variance analysis
- Transfer Pricing