

**SARASWAT VIDYALAYA'S  
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES  
KHORLIM, MAPUSA, GOA.**

**T.Y.B.COM. SEMESTER END EXAMINATION, JANUARY, 2021  
SEMESTER V**

**Subject: - Techniques of Costing (Cost Accounting DSE - 3)  
(CBCS)**

**Max. Marks: - 80  
Duration: - 2 hr.**

**Instructions:-**

1. *This question paper consists of three pages*
2. *Question No 1 is compulsory*
3. *Answer any Three (3) questions from question no 2 to 6.*
4. *All questions carry equal marks.*
5. *Figures to the right indicate maximum marks allotted to questions.*

Q.1. Following data relates to Bright Ltd. for a period of two years ended 2019 and 2020. (20)

Years	Sales	Profit
2019	1,20,000	12,000
2020	1,80,000	16,000

Compute :

- i) Break Even Point
- ii) Profit when sales are Rs. 200,000.
- iii) Sales required to earn a profit of Rs. 50,000
- iv) Margin of safety at a profit of Rs. 25,000

Q. 2. Satellite Ltd. is engaged in the manufacturing two products "X" and "Y" from a common material. Following details relate to these products: (20)

Particulars	"X"	"Y"
Sales (in Rs.)	5,000	10,000
Material Cost (Rs. 100 per Kg.)	10000	2500
Direct Labour (Rs. 60 per hour)	1500	3,000
Variable overhead (in Rs.)	500	1000
Total fixed overheads : Rs. 20,00,000		

Comment on the profitability of each product if

A Total sales in value is limited

B. Raw materials are in short supply.

C. Production capacity is the limiting factor

D. If total availability of raw material is 15,000 Kgs. and maximum sales potential of each product is 1,000 units, find the product mix to yield the maximum profits.

Q.3. A) The selling price of a particular product is Rs. 200 and the marginal cost is Rs. 100.

During the month of April, 1000 units were produced and 700 were sold. There was no opening stock. Fixed factory costs amounted to Rs. 30000.

Prepare a statement using Marginal costing and absorption costing (10)

B) A gang of workers normally consists of 30 workers of Grade "A", 15 workers of Grade "B" and 10 workers of Grade "C". They are paid at a standard hourly rate as follows: (10)

Grade	Standard Rate per hour
Grade "A"	Rs. 4
Grade "B"	Rs. 3
Grade "C"	Rs. 2

In a normal week of 40 hours the gang is expected to produce 2000 units of the output. During the week ended 31<sup>st</sup> December, the gang consisted of 40 men, 10 women, and 5 boys. The actual wages paid were @ Rs. 3.50, Rs. 3.25 and Rs. 1.50 per hour respectively. 4 hours were lost due to abnormal idle time and 1600 units were produced.

You are required to calculate:

-LCV

-LMV

-LITV

Q.4. The standard cost card for producing 1000 kgs of product P is given: (20)

Particulars	Standard Cost		
	Quantity (Kgs)	Rate (Rs.).	Cost (Rs)
Material A	400	10	4000
Material B	400	20	8000
Material C	450	30	13500
Total Mix	1250	-	25500
Loss	25	-	-
Output	1000	-	25500

Actual Results for the period were as follows:

1300 Kgs of direct material was used as follows

450 kgs of A at Rs. 12 - Rs. 5400

500 kgs of B at Rs. 18 - Rs. 9000

350 kgs of C at Rs. 30 - Rs. 10500

Actual output was 1050 kgs of product P

Calculate:

a. MCV

b. MPV

c. MQV

d. MMV

e. MYV

Q.5. A. Explain the essentials of a good management reporting system. (10)

B Explain the concept and methods of transfer pricing. (10)

Q. 6. Answer **any 4 (FOUR)** from the following: (5x4 = 20)

- a. Factors influencing Management control system
- b. Performance Budgeting
- c. Sales variances under turnover method.
- d. Uses of PV Ratio
- e. Distinguish between Marginal and absorption costing
- f. Objectives of marginal costing

\_\_\_\_\_&&&&&&&\_\_\_\_\_