

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

T.Y.BCOM Course (CBCS) Ordinance (Semester - V)

END EXAMINATION JANUARY 2022

Subject - Cost Accounting Major III- Techniques of Costing

[Duration: Two Hours]
(W.E.F 2019-20) (CBCS)

[Max Marks: 80]
Total No. of Printed Pages: 03

Instructions:

- 1) *Questions No 1 is compulsory.*
- 2) *Answer any three (3) Question from Question No. 2 to Question No. 6*
- 3) *All questions carry equal marks and figures to the right indicate maximum marks allotted to Questions/sub questions.*

Q.1. The following information is related to Mega Ltd for the year ending 31stDecember, 2021

PARTICULARS	AMOUNT(₹)
Direct Material	₹.20,000
Direct Labour	₹.50,000
Other variable expense	₹.50,000
Fixed cost	₹.30,000
Sales	₹.2,00,000

(20 Marks)

Calculate the following:

- a) P/V ratio
- b) Break-even point in value and Margin of safety
- c) New break-even point if sales is reduced by 10%
- d) New break-even point if variable cost increases by 10%
- e) New break-even point if fixed cost increases by 10%

Q.2. Jetkings Ltd. manufactures and sells three products. A, B and C. The current selling prices and costs are as follows:

Particulars	Product A (₹)	Product B(₹)	Product C(₹)
Selling Price per unit	28	60	125
Direct Materials at ₹. 4 per kg.	8	16	20
Direct Labour at ₹.10 per hour	10	20	50
Variable Overheads	5	10	25

(20 Marks)

- A. Prepare Marginal Costing Statement for all three products.
- B. Rank the products in the order of the profitability if:
 - i) Raw Material is the limiting factor
 - ii) Labour is the limiting factor.
- C. Assume that labour hours available is only 6000 hours, find out the optimum mix of the three products if each product has a maximum sales potential of 1000 units.

Q 3.

(10X2=20 Marks)

A. Brightstar Company Manufacturing Ltd supplies you the following data

Particulars	Amount (₹)
Direct Materials	₹.48,000
Direct Wages	₹.22,000
Variable Overheads	
Factory	₹.13,000
Administration & Selling	₹.2,000
Fixed Overheads	
Factory	₹.20,000
Administration & Selling	₹.8,000
Sales	₹.1,25,000

(10 Marks)

Prepare Income Statement under Marginal Costing & Absorption Costing

B. Powerhouse Ltd manufactures a product. Budgeted production and standard labour cost for the month was as follows:

Budgeted production : 8,000 units

(10 Marks)

Standard labour cost per unit

(1 ½ hours @ ₹.4.00 per hour) ₹.6

Actual results for the month were:

Production: 7,800 units

Wages: ₹.56,000

Throughout the month 56 workers were employed who were on duty for 8 hours per day for 25 days. However, during the last week of the month each worker remained idle for 4 hours as a result of machine breakdown because of poor maintenance.

Calculate:

- Labour Cost Variance
- Labour Rate Variance
- Labour Efficiency Variance
- Labour Idle Time Variance

Q.4. Following data is related to Surya Manufacturing Ltd:

(20 Marks)

Materials	Standard		Actual	
	Quantity	Unit Price (₹)	Quantity	Unit Price (₹)
A	60%	20	88	30
B	40%	10	132	10
Standard Loss : 10%				
Actual Output : 180 units				

Calculate the following variances:

- Material Cost Variance
- Material Price Variance
- Material Quantity Variance
- Material Mix Variance
- Material Yield Variance

Q.5. (10 Marks)
A. Explain the concept and methods of transfer pricing.

B. State and explain the Need of Management Control System in a company (10 Marks)

Q.6. Answer any 4 (FOUR) from the following: (4X5=20 Marks)

- a. Objectives of Marginal Costing
- b. Performance Budgeting
- c. Angle of incidence
- d. Distinguish between Marginal and Absorption costing
- e. Classification of Management Reports
- f. Significance of Variance Analysis

*****THE END*****