

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

T.Y. B. COM SIXTH SEMESTER END EXAMINATION, JUNE 2022

CBCS w.e.f. 2019-2020

COST ACCOUNTING MAJOR VIII: ADVANCED MANAGEMENT ACCOUNTING

Maximum Marks: 80 marks

Duration: 2 hour

Total No. of Printed Pages: 03

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

Q.NO 1

(20 marks)

The particulars of two plants producing an identical product with the selling price are as under

PARTICULARS	Plant CR7	Plant AK4
Capacity utilization	60%	70%
	(Rs in Lakhs)	(Rs in Lakhs)
Sales	90	150
Variable Costs	75	105
Fixed Costs	20	30

It has been decided to merge Plant CR7 with Plant AK4. The additional fixed expenses involved in merger amount to Rs 2,00,000.

You are required to calculate the following:

- a) Find the break even point of Plant CR7 and Plant AK4 before merger and the breakeven point of the merged plant.
- b) Find the capacity utilisation of the integrated plant required to earn profit of Rs 18,00,000.

Q.No 2

(20 marks)

Higher Manufacturing Pvt Ltd operating its factory in Valpoi is facing shortage of electric power supply from the state electricity board has set up its own energy generation plant for efficient running of its productions of its unit in the factory. The following information has been taken from the records in connection of the newly set up service departments for the year 2021.

Service Departments	Steam	Water	Power
Production	18,000 MT	7,00,000 CM	30,00,000 KWh
Direct material	Rs 2,50,000	Rs 2,00,000	Rs. 50,000
Direct labour	1,00,000	1,90,000	1,50,000
Direct expenses	1,60,000	1,24,000	1,20,000
Overheads	1,74,240	1,58,000	2,72,000
Steam	-	-	10,000 MT
Water	56,000 CM	-	1,05,000 CM
Power	1,46,400 KWh	4,20,000 KWh	80,000 KWh

You are required to calculate the cost of each unit of production of the service department.

Q.NO 3

(20 marks)

SAI RAM Ltd plans to start a lodging unit in Calangute, Goa with a capacity of 40 single occupancy rooms. Cost per day per room have been estimated as under:

Cost per day per room (Rs)	
A. When Occupied	
Laundry Charges	Rs 9
Lighting and Water Charges	Rs 4
Dusting, Cleaning and Sweeping	Rs 2
B. When unoccupied	Rs 2

Over and above these costs, the following expenses represents the estimate of fixed charges per annum (i.e 365 days)

Staff Expenses	Rs 3,20,000
Office Expenses	Rs 64,000
Rates, Taxes & Insurance	Rs 42,320
Total	Rs 4,26,320

SAI RAM Ltd defines 100% occupancy to mean all the 40 rooms fetch revenue for all 365 days. You are required to calculate the answer of the following using a planning period of one year.

- a) What would be the tariff per day per room in order to reach breakeven at occupancy level of 50 % ?
- b) What would be the profits if occupancy level reaches?
- (i) 60% (ii) 70% (iii) 80%
- c) What would be the profits, if tariff per day is decreased by 10% from the answer (a) above and occupancy level reaches to 100 %

Q.NO 4**(15 + 5 = 20 Marks)**

A. A manufacturing company produces two products i.e Alpha and Beta. The particulars relating to two products are given: **(15 marks)**

	ALPHA	BETA
Direct material cost per unit	Rs 10 per unit	Rs 12 per unit
Direct wages per unit	Rs 10 per unit	Rs 8 per unit
Direct Labour hour per unit	12 hours per unit	12 hours per unit
Units produced	200 units	200 units
Material moves per product line	10 units	14 units

Budget material handling cost Rs 24,000

You are required to determine

- Cost per unit of the products using volume based allocation method (Direct labour hour rate)
- Cost per unit of the products using Activity Based Costing Method

B. State and explain the tools used in strategic based costing

(5 marks)**Q.No 5****(10*2=20 marks)**

A. Discuss Just In Time Approach. State and explain techniques used in implementation of just In Time Approach **(10 marks)**

B. “Development in business environment have a significant impact on management accounting”.

Elucidate

(10 marks)**Q. No 6**

Write Short Note on *any four* from the following:

(5*4=20 marks)

- Marginal costing in pricing decisions
- Collection of costing data in service sector
- Service cost v/s Product Cost
- Total Quality Management
- Kaizen Costing
- Traditional cost v/s ABC Costing

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