GOA UNIVERSITY

T.Y.B.Com. (NEP) (Semester V)
Subject Name: Techniques of Costing

Paper Title: Techniques of Costing. **Paper Code: CCA-301**
Duration: 2:00 Hours. **Total Marks: 80**

Instructions: i) All questions are compulsory.
ii) All workings should form part of your answers
iii)Figures to the right indicate full marks

Q1. Answer the following questions: **(8*2=16 Marks**

i) Explain the concept of normal standard.
ii) How is labour mix variance calculated?
iii) Write a note on zero-based budgeting.
iv) Explain any two benefits of inter-firm comparison.
v) Explicate sales margin variance.
vi) What do you mean by responsibility accounting?
vii) Explain master budget.
viii)Elucidate estimated cost.

Q2. A) The budgeted output of a Bouncer Ltd. which is specializing in the production of a unique product at the 100% capacity amounts to Rs. 1,79,700, as detailed below: **(12 Marks)**

Particulars	Rs.	Rs.
Selling Cost (fixed)		20,700
Administration cost (fixed)		3,640
Variable costs:		
Power	1,440	
Repairs etc.	1,700	
Miscellaneous	540	
Direct material	49,280	
Direct Labour	1,02,400	1,55,360
Total cost		1,79,700

Prepare a flexible budget for production levels of 50% and 75%. Assuming, sales value is Rs. 2,56,000 as at present, indicate the effect on net profit.

OR

Q2. B) The following information has been made available from the accounting records of payment of Bricson Tools Ltd. for the last six months of 2024 (and of only sales for January 2025). The units to be sold in different months are: **(12 Marks)**

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- July: 2,200
- August: 2,200
- September: 3,400
- October: 3,800
- November: 5,000
- December: 4,600
- January 2025: 4,000

There will be no work-in-progress at the end of any month. Finished units equal to half the sales for the next month will be in stock at the end of every month (including June 2024). Prepare a production budget for the last six months of 2024

Q2. C) Explain limitations of inter-firm comparison. **(4 Marks)**

Q3. A) For making 1,000 kg. of output, the standard material requirement is: **(12 Marks)**

Material	Quantity (kg.)	Rate per kg. (Rs.)
A	300	20
B	400	25
C	800	30

In June month, 5000 kg. of output was produced.
The actual consumption of materials is as under:

Material	Quantity (kg.)	Rate per kg. (Rs.)
A	1,400	23
B	2,175	27
C	4,300	27.5

Prepare the tables showing standard and actual material costs and calculate: (i) Material Cost Variance
(ii) Material Mix Variance
(iii) Material Yield Variance

Q3. B) A manufacturing company submits the following figures of Product 'Batteries' for the first quarter of 2025: **(4 Marks)**
Sales: January 50,000 units, February 60,000 units, March 70,000 units
Selling price per Unit: Rs. 20
Target of 1st quarter 2026: Sales quantity increase by 10% and Sales price increase by Rs. 2
Prepare Sales Budget for the first quarter of 2026.

OR

Q3. C) Enumerate any two advantages of the standard costing system. **(4 Marks)**

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Q4. A) Bits Brothers wish to approach the bankers for temporary overdraft facility for the period from October 2020 to December 2020. During the period of this period of these three months, the firm will be manufacturing mostly for stock. You are required to prepare a Cash Budget for the above period using following data. **(12 Marks)**

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)
August	3,60,000	2,49,600	24,000
September	3,84,000	2,88,000	28,000
October	2,16,000	4,86,000	22,000
November	3,48,000	4,92,000	20,000
December	2,52,000	5,36,000	30,000

- 50% of the sales are realized in the month following the sales and remaining 50% in the following month.
- Creditors are paid in the month following the month of purchase.
- Wages are paid on the last day of the same month.
- Estimated cash as on 1-10-2020 is Rs.50,000.

Q4. B) Following information with respect to two products are given below, you are required to calculate Sales Price Variance and Sales Value Variance. **(4 Marks)**

	Budgeted		Actuals	
	Units	Sale Price per unit (Rs.)	Units	Sales Price per unit (Rs.)
Product AA	150	8	160	9
Product BB	170	10	160	11

OR

Q4. C) Enumerate the need for uniform costing. **(4 Marks)**

Q5.A) Beijing Ltd. manufactures a particular product, the standard direct labour hours and rate required to produce 100 units of output is as follows: **(12 Marks)**

Type of workers	**Hours**	**Rate (Rs.)**
Skilled workers	500	50
Semi-skilled workers	200	20

During a period, 100 units of the product were produced; the actual labour cost is as follows:

Type of workers	**Hours**	**Rate (Rs.)**
Skilled workers	520	50
Semi-skilled workers	210	18

Prepare standard and actual tables and calculate: (i) Labour Efficiency Variance (ii) Labour Rate Variance (iii)Labour Cost Variance (iv)Labour Mix Variance.

Q5. B) Write a note on standard cost. **(4 Marks)**

OR

Q5. C) Explain accounting for responsibility center. **(4 Marks)**

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