

T.Y.B.B.A Examination C.No 8883
Management & Cost A/C - 1 P.NO.303

April - 2016

(Time-3 hours)

(Total Marks-100)

Q.1 A. What is meant by cost accounting? Explain classification of cost. 10

Q.1 B. Prepare table showing methods of costing and industries to which it is applicable. 10

OR

Q.1 A. From the particulars given below calculate: 10

- | | |
|-----------------------------|-----------------------------|
| 1. Break-even point | 2. P/V Ratio |
| 3. Profit at budgeted sales | 4. Profit at 100% capacity. |

Particulars:

- Budgeted sales during the year amounted to Rs.80,000 (at 80% capacity)
- Direct material costs – 40% of sales
- Direct labour costs – 20% of sales
- Variable factory overheads – 10% of sales
- Variable Administration overheads – 5% of sales
- Fixed cost – Rs.10,000

Q.1 B. The following information is obtained from the record of a company:

Selling price per unit Rs.60, Variable expenses per unit Rs.36, Fixed expenses Rs.1,80,000. From the given data, find out, 10

1. Sales to earn profit of Rs. 1,08,000
2. Sales to make a loss of Rs.1,08,000
3. Sales to earn a profit of Rs. 8 per unit (in units)
4. Sales to make a loss of Rs.8 per unit (in units).

Q.2 A company manufactures two products A and B for which same equipments and similar processes are used.

The production data for the production during one year were shown below: 20

	A	B
Units Produced	15,000	21,000
Direct labour hours per unit	3	6
Machine hours per unit	9	3
Set-ups during the year	30	120
Orders handled during the year	45	180

Overheads are:

Relating to machine activity	Rs. 6,60,000
Relating to production set-ups	Rs. 60,000
Relating to handling of orders	<u>Rs. 1,35,000</u>
	<u>Rs. 8,55,000</u>

Calculate the production overhead rate per unit under:

1. Traditional approach, using direct labour hour rate to absorb overhead.
2. Activity based approach.

OR

Q.2 Explain difference between conventional method and ABC costing system and also explain application of ABC 20

Q.3 A department of a company attains sale of Rs.6,00,000 at 80% of its normal capacity. Its overheads are given below: 20

Admin cost:		Distribution cost:		Selling cost:	
Office salary	Rs.90,000	Wages	Rs.15,000	Salaries	8% of sales
General exp.	2% of sales	Rent	1% of sales	Travelling exp.	2% of sales
Depreciation	Rs.7,500	Other exp.	4% of sales	Sale office exp.	1% of sales
Rates, taxes	Rs.8,750			General exp.	1% of sales

Prepare a flexible budget for 80%, 90% and 110% of normal capacity.

OR

Q.3 Define Responsibility Accounting. Discuss Essentials and advantages of Responsibility accounting. **20**

Q.4 The following details are mentioned the allocation of overhead expenses with proper basis of allocation. Prepare allocation sheet. **20**

Particulars	Production department			Service Dept.	
	A	B	C	D	E
Direct wages(Rs.)	5,000	7,000	8,000	2,000	3,000
Direct material(Rs.)	3,000	4,000	4,000	2,000	2,000
Electricity(KW)	5,000	4,000	3,000	2,000	2,000
No. Of workers	300	300	200	100	100
Assets value Rs.	75,000	50,000	25,000	15,000	10,000
Space occupied (sq. mt)	450	450	300	150	150

Combined expenses were as under:

Motive power	800	Workers welfare exp.	2700
Lighting	200	Worker's cont. In ESI	1250
Supervision	2,500	Canteen exp.	300
Indirect material	1,500	Rent & taxes	500
Repairing maintenance	3,500		

Expenses of service department D allocate in proportion of direct wages and expenses of service department. E allocate in proportion 6:3:1 among production department A,B and C.

OR

Q.4 What is meant by departmentalisation of expenses? What bases are generally used for apportionment of overheads? Illustrate bases of apportionment of overhead among department. **20**

Q.5 A product passes through three process A, B & C. 10,000 units were introduced to Process A at Rs.10 per unit. The other direct expenses were as follows. **20**

Particulars	Process A	Process B	Process C
Expenses:			
1. Materials	Rs.10,000	Rs.15,000	Rs.5,000
2. Labour	Rs.50,000	Rs.80,000	Rs.65,000
3. Direct expenses	Rs.10,500	Rs.11,875	Rs.20,090
Other information:			
1. Actual output (in units)	9,500	9,100	8,100
2. Normal wastage	3%	5%	(?)
3. Selling price of wastages (per unit)	Rs.2.50	Rs.5.00	Rs.10.00

The final product was sold at Rs.51 per unit fetching a profit of 16.2/3% on sales. Prepare Process Accounts and find out the percentage of normal wastage in Process C. Prepare Process A/C and Abnormal Loss or Gain A/C

OR

Q.5 Write note on:

1. Cost assignment and Cost Hierarchies
2. Transfer Pricing

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