Seat No: ________

Vidya Vikas Mandal's

Shree Damodar College of Commerce & Economics, Margao-Goa

Post-Graduate Department of Commerce

PGDFT, Semester-II, Semester End Examination, May 2023

DFTC 212: Cost and Management Accounting

Duration: 3 Hours **Max Marks: 60**

Instructions:

1. *This paper consists of NINE questions carrying **Equal marks**.*
2. *Question No.1 consists of **5 Compulsory** questions of **2 marks each**.*
3. *Answer **any FIVE** questions from question 2,3,4,5,6,7,8 and 9.*
4. ***Each** question carries **10 marks**. Figures to the **right** indicate marks.*

Q.1. Answer the following: **(5 × 2 = 10)**

a) Explain Conflict between Departmental Goal and Firm Goal.

b) What do you understand by Cost – volume profit analysis?

c) How is profit reported in Absorption Costing?

d) Explain Standard Costing.

e) What do you understand by Performance Budgeting?

Q.2. Discuss the tools and techniques of Management Accounting. **(10)**

Q.3. 'Cost Accounting aims at providing cost data, statement and reports for the purpose of managerial decision making.' Explain the objectives and scope of Cost Accounting. **(10)**

Q.4. With the help of a chart explain the process of Zero Base Budgeting. **(10)**

Q.5. From the following data submitted by Mridul Ltd., Calculate:

i) P/V Ratio

ii) Fixed costs

iii) Sales required to earn a profit of Rs.24000

iv) Profit when sales are Rs.56,000

v) Margin of Safety (Rs.)

vi) Margin of safety (%)

Particulars	Sales	Total cost
2021	40,000	29,000
2022	45,000	32,000

(10)

Q.6. Samna Ltd. has manufacturing capacity to produce 200 units which are sold ever year @ Rs.10 per unit. Fixed cost is Rs.400 and the variable cost is Rs.6 per unit.

There is a proposal to reduce prices by 10% for the next year.

(i) Calculate the present & future P/V Ratio

(ii) How many units must be sold in future at new selling price to earn profit of Rs.400?

(iii) Calculate Break-even point for output and sales at existing selling price.

(iv) Show what profit will result if output is 90% of capacity. **(10)**

Q.7. A company produces only one product which has the following cost:

Variable manufacturing cost Rs.4 per unit.

Fixed manufacturing cost Rs.1,00,000 per annum.

The normal capacity is set at 1,00,000 units.

There are no Work in Progress Inventories.

Fixed overhead rate is Re.1 per unit.

In 2021, the company produced 1,00,000 units and sold 90,000 units at a price of Rs.8 per unit.

In 2022, the company produced 1,10,000 units and sold 1,15,000 units at the same price.

You are required to prepare income statement for 2021 and 2022 based on absorption costing and variable costing. **(10)**

Q.8. Consider the following information extracted from the books of Abha Ltd.

Particulars	Budgeted	Actual
Production	25,000 units	28,000 units
Fixed Overheads	Rs.46,000	Rs.50,000
Variable Overheads	Rs.34,000	Rs.38,000
Number of man hours	30,000	36,000

Calculate:

1. Overhead Cost Variance
2. Fixed Overhead Expenditure Variance
3. Fixed Overhead Efficiency Variance
4. Variable Overhead Cost Variance
5. Variable Overhead Expenditure Variance

(10)

Q.9. Prerna Ltd. manufactures two types of frames A and B and sells them in Delhi and Kolkata market.The following information is made available for the current year:

	Market	Budgeted Sales	Actual Sales
Delhi	A	400 at Rs.9 each	500 at Rs.9 each
	B	300 at Rs.21each	200 at Rs.21 each
Kolkata	A	600 at Rs.9 each	700 at Rs.9 each
	B	500 at Rs.21 each	400 at Rs.21 each

Market studies reveal that frame 'A' is popular as it is under priced. It is observed that if its price is increased to Rs.10 it will find a ready market and on the other hand 'B' is overpriced and market could absorb more sales if its selling price is reduced to Rs.20. The management has agreed to give effect to the above price change. On the above basis, the following estimates have been prepared by the sales manager.

	% increase in sales over current budget	
Product	Delhi	Kolkata
A	+10%	+5%
B	+20%	+10%

The following additional sale above the estimated sales of sales manager are given below and you are required to prepare a sales budget.

Product	Delhi	Kolkata
A	60 units	70 units
B	40 units	50 units

(10)

**********************Best Wishes*********************