

Vidya Vikas Mandal's  
Shree Damodar College of Commerce and Economics, Margao-Goa  
TY B.Com, Semester-V, Special Examination March 2022  
Cost Accounting- DSE 3  
Techniques of costing (C0D110)

Duration: 2hrs

Max Marks: 80

Instructions:

- 1) Q.1 is compulsory.
- 2) Answer any three from Q.2 to Q.6.
- 3) Figures to the right indicate maximum marks.
- 4) All questions carry equal marks.
- 5) Start each question on fresh page.
- 6) Enter appropriate main & sub question numbers in the answer book.
- 7) All working notes to form part of your answer.

Q.1 The following figures for profit and sales are obtained from the accounts of X Co Ltd.

Year	Sales	Profit
2020	Rs 1,20,000	Rs 9,000
2021	Rs 1,40,000	Rs 13,000

Calculate

- 1) P/V Ratio
- 2) Fixed Cost
- 3) Break Even Sales
- 4) Profit at sales Rs 1,00,000
- 5) Sales required to earn a profit of Rs 20,000

(20 marks)

Q.2) Following information has been available from the cost records of United Automobiles Ltd manufacturing spare parts.

Particulars	X	Y
Cost of Direct Material per unit	Rs 8	Rs 6
Direct wages	24 hours @ 25 paise per hour	16 hours @ 25 paise per hour
Selling price per unit	Rs 25	Rs 20

Variable cost is 150% of wages

Fixed overheads Rs 750

The directors want to be acquainted with the desirability of adopting any one of the following alternative sales mixes in the budget for the next period

- 1) 250 units of Product X & 250 units of Product Y
- 2) 400 units of Product X
- 3) 400 units of Product X & 100 units of Product Y
- 4) 150 units of Product X & 350 units of Product Y

State which of the alternative sales mix you would recommend to the management

(20 marks)

Q.3) The Std labour employment and the actual labour engaged in a week for a job are as under:

Particulars	Skilled workers	Semi- skilled	Un skilled
Std no of workers in the gang	32	12	6
Actual no. of workers employed	28	18	4
Std wage rate per hour	3	2	1
Actual wage rate per hour	4	3	2

During the 40 hours working week, the gang produced 1800 Std labour hour of work

Calculate LCV, LRV, LEV, LMV and LYV

(20 marks)

Q.4 A) A factory works on the standard costing system. The std. Estimation of materials for the manufacture of 1000 units of a commodity is 400 kgs at Rs 2.50 per kg. When 2000 units of a commodity are manufactured it is found that 820 kgs of material is consumed at Rs 2.60 per kg. Calculate Material Variances.

(10 marks)

Q.4 B) A firm can purchase a separate part from an outside source @ Rs 11 per unit. There is a proposal that the spare part be produced in the factory itself. For this purpose a machine costing Rs. 1,00,000 with annual capacity of 20,000 units and a life of 10 years will be required. A foreman with a monthly salary of Rs. 500 will have to be engaged. Materials required will be Rs. 4.00 per unit and wages Rs. 2.00 per unit. Variable overheads are 150% of direct labour. The firm can easily raise funds @ 10% p.a. Advice the firm whether the proposal should be accepted

(10 marks)

Q.5 A) Explain the Principles of good report

(10 marks)

B) Explain the factors influencing the management control in the business entity.

(10 marks)

Q.6) Write short notes on the following (any 4)

(4 x 5= 20 marks)

- 1) Margin of Safety
- 2) Uses of break even analysis
- 3) Performance Budgeting
- 4) Need of management Control
- 5) Benefits of Balance Score card
- 6) Benefits of Transfer Pricing