UCOD110

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T.Y.B.Com Semester V (CBCS) Ordinance
EXAMINATION MAY 2023
Cost Accounting Major III : Techniques of Costing

[Time: 2 Hours] **[Max. Marks: 80]**

Instructions: 1) Question **No.1** is compulsory.
2) Answer **any 3** questions from Q.No.2 to Q. No.6
3) Give working notes **wherever** necessary.
4) **All** questions carry **equal** marks.
5) Figures to the **right** indicate marks allotted

Q1 The following sales and profit of Monginis Co ltd., are given for the year ended 31/3/2018 and 31/3/2019 **20**

Year ended	Sales (Rs)	Profit(Rs)
31/3/2018	7,20,000	96,000
31/3/2019	8,16,000	1,20,000

Calculate:

i. Profit volume ratio
ii. Fixed cost
iii. Break-even point (in rupees)
iv. Sales required to earn a profit of Rs.1,44,000
v. Margin of safety at a profit of Rs.2,88,000
vi. The profit made, when sales are Rs.12,00,000

Q2 Present the following information to show to the management of Nestle Co. Ltd for the year ended 31/3/2019. **20**

Particulars	Product A Rs	Product B Rs
Direct materials (per unit)	10	9
Direct Wages (per unit)	3	2
Sales price (per unit)	20	15

i. Fixed expenses are Rs.800
ii. Variable expenses are allocated to products as 100% of direct wages.
iii. Sales Mixtures: (a) 100 units of Product A and 200 of B
(b) 150 units of product A and 150 of B
(c) 200 units of product A and 100 of B

Calculate:

i. The marginal product cost and the contribution per unit.
ii. The total contribution and profits resulting from each of the following sales mixtures.
iii. The proposed sales mixes to earn a profit of 250 and 300 with total Sales of A and B being 300 units.

Q3 Zuari Agro Chemicals Ltd. manufactures a fertilizer by mixing and processing three ingredients P, N and Q. The standard cost data for 31/3/2019 are as follows: **20**

Ingredients	Standard production	Standard cost
P	50%	Rs.20 per ton
N	40%	Rs.25 per ton
Q	10%	Rs.42 per ton

A standard loss of 5% is anticipated. In a period, the actual output was 93.10 tonnes and the actual inputs were as follows:

Ingredients	Actual usage	Actual price	Actual cost (Rs)
P	49 tones	Rs.16 per ton	784
N	43 tones	Rs.27 per ton	1161
Q	8 tones	Rs.48 per ton	384

You are required to Calculate:

a) Material cost variance
b) Material price variance
c) Material usage variance
d) Material mix variance
e) Material yield variance

Q4 A) Following data relates to Funskool Co. Ltd. which makes and sells toys for year ended 31/3/2019. **10**

Production	1,00,000 units
Sales	80,000 units
Selling price per unit	Rs.15
Other particulars	(Rs.)
Direct materials	2,50,000
Direct labour	3,00,000
Factory overheads:	(Rs.)
Variable	1,00,000
Fixed	2,50,000
Selling and distribution overheads:	(Rs.)
Variable	1,00,000
Fixed	2,00,000

You are required to present income statements using (a) absorption costing and (b) marginal costing. Account briefly for the difference in net profit between the two income statements.

B) From the data given below of Merk Ltd, calculate the labour variances for the two departments for the year ended 31/3/2019. **10**

Particulars	Department A	Department B
Actual Gross wages (Direct)	Rs. 4,000	Rs. 3,600
Standard hours produced	16,000	12,000
Standard rate per hour	60 paise	70 paise
Actual hours worked	16,400	11,600

Calculate:

a) Labour cost variance
b) Labour efficiency variance
c) Labour rate variance

Q5 A) Explain briefly the need and factors influencing management control systems in the business organization. **10**

B) Explain briefly the objectives and advantages of Performance Budgeting **10**

Q6 Write short notes on **any four** of the following: **4x5=20**

a) Benefits of Transfer Pricing
b) Assumptions of Break-even analysis
c) Advantages of standard costing
d) Any two applications of marginal costing
e) Objectives of marginal costing
f) Significance of variance analysis