

Vidya Vikas Mandal's
 Shree Damodar College of Commerce & Economics, Margao-Goa
 TY B.Com, Semester-V, Semester End Examination, January 2021
 Cost and Management Accounting (DSE 3)
 Techniques of Costing (COD 110)

Duration: 2hrs

Max Marks: 80

Instructions:

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Q.1 is compulsory.
- 4) Answer Any 3 Questions from Q.2 to Q.6
- 5) Give working notes wherever applicable.

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

(20 marks)

Year	Sales	Profit
2019	20,000	2,000
2020	30,000	4,000

Calculate

- 1) P/V Ratio
- 2) Fixed Cost
- 3) Break Even Sales
- 4) Profit at sales Rs 40,000
- 5) Sales to earn a profit of Rs 5,000

Q.2) The following particulars are extracted from the records of a company.

(20 marks)

	Product A Per unit	Product B Per unit
Sale Price (Rs.)	100	110
Consumption of Materials (kgs.)	5	4
Material cost (Rs.)	24	14
Direct wages (Rs.)	2	3
Machine hours used	2	3
Variable overheads	4	6

Comment on the profitability of each product (both use the same raw material) when

- (i) Total sales potential in units is limited.
- (ii) Total sales potential in value is limited.

- (iii) Raw Material is in short supply.
- (iv) Production capacity (in terms of machine hour) is the limiting factor.

Q.3) The Standard labour employment and the actual labour engaged in a week for a job are as under: **(20 marks)**

Particulars	Skilled workers	Semi- skilled	Unskilled
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 Standard labour hour of work

Calculate LCV, LRV, LEV, LMV and LYV

Q.4.

a) A factory works on the standard costing system. The standard 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)**

b) Fit tools factory has a plant capacity adequate to provide 19800 hours of machine use. The plant can produce all the "A" type of tools or all "B" type of tools or a mixture of the two types

Particulars	A	B
Selling price	10	15
Variable cost per unit	8	12
Hours required to produce	3	4

Market conditions are such that not more than 4000 "A" type of tools and 3000 "B" type of tools can be sold in a year. Annual fixed costs are Rs 9900. Compute the product mix that will maximise the net income to the company. **(10 marks)**

Q.5

a) Define Management Control system. Explain the managerial need of management control system. (10 marks)

b) "Reporting is an essential means for cost control" Comment on the statement and explain the general principles of reporting. (10 marks)

Q.6) Write Short Notes on any four of the following:

(4 x 5=20)

- a) Need for implementing Balanced score card
- b) Objectives of Transfer Pricing
- c) Merits and limitation of standard costing
- d) Definition and objectives of marginal costing
- e) Market decision
- f) Margin of safety

----- All the Best -----