Total No. of printed pages = 8

4 (Sem-4) CMAC

2018

COST AND MANAGEMENT ACCOUNTING

Paper : 405

(Management Major)

Full Marks – 80

Time – Three hours

The figures in the margin indicate full marks for the questions.

GROUP – A

(Cost Accounting)

Marks – 40

1. Answer the following as directed : $1 \times 6 = 6$

(a) Variable cost remains fixed per unit. Write true or false. F

(b) In case of LIFO method, issues are based on actual cost. Write true or false. T

(c) In historical costing, actual costs are ascertained after they have been incurred. Write true or false.

T

[Turn over

(d) Quantity and price are recorded in the Bin Card. Write true or false. F

(e) Time wages is suitable where quantity of work is more important than quality of work. Write true or false. T

(f) Rent is variable overhead. Write true or false.
T

2. Answer the following questions : 2×2=4

(a) What is labour turnover ?

(b) What is bill of materials ?

3. Answer any *two* questions from the following : 5×2=10

(a) Write any five differences between financial accounting and cost accounting.

(b) What are the different methods of measuring labour turnover ?

(c) Write the differences between ABC analysis and VED analysis.

4. Answer the following questions : 10×2=20

(a) What are the techniques of costing ?

Job, contract, process, batch, Service, Farm, Operation, multiple, marginal, standard, uniform

Or

Two components X and Y are used as follows :

Normal usage — 600 units per week each

Maximum usage — 900 units per week each

Minimum usage — 300 units per week each.

Re-order quantity X — 4800 units, Y — 7200 units

Re-order period X— 4 to 6 weeks, Y — 2 to 4 weeks

Calculate :

(i) Re-order level

(ii) Minimun level

(iii) Maximun level

(iv) Average level for each component X and Y.

(b) What are the various methods of absorption of overhead ?

Or

Calculate the material price variance, material usage variance, material mix variance and material yield variance from the following data :

Raw materials	Standard mix			Actual mix		
	units kg	price Rs.	Amount Rs.	units kg	price Rs.	Amount Rs.
A	60	25	1,500	56	25	1,400
B	40	50	2,000	44	50	2,200
	100		3,500	100		3,600
Less:loss	30			26		
	70			74		

The standard loss is 30%.

GROUP – B

(Management Accounting)

Marks – 40

5. Answer the following questions as directed : 1×6=6

(a) Budgeting is a tool of Management Accounting. (Write true or false). T

(b) Analysis of financial statements means an attempt to determine the significance and meaning of the data presented in financial statements. (Write true or false). T

(c) Liquidity means ability of a firm to meet its long-term obligations. (Write true or false). F

(d) A quick ratio of 1:1 is considered to represent a satisfactory current financial position. (Write true or false). T

(e) Earnings per share = $\dfrac{\text{Net profit after taxes – preference dividend}}{\text{No. of equity shares}}$

(Write true or false). T

(f) Contribution is the differenece between sales and ——— (Fill in the blank).

6. Answer the following questions : $2\times2=4$

(a) Mention two objectives of management accounting.

(b) What is margin of safety ?

7. Answer any *two* questions from the following : $5\times2=10$

(a) What is cash flow statement ?

(b) What is budgetary control ?

(c) From the following information, calculate

(i) current assets and

(ii) current liabilities.

Current ratio = 2.5

Working capital = Rs. 90,000.

8. Answer any *two* questions from the following : $10\times2=20$

(a) Explain managerial application of marginal costing.

Or

A company is making a loss of Rs. 40,000 and relevant information is as follows :

Sales ..... Rs. 1,20,000

Variable cost ..... Rs. 60,000

Fixed cost ..... Rs. 1,00,000

You are required to calculate :

(i) Break even point.

(ii) Sales required to earn a profit of Rs.1,00,000.

(iii) Profit when sales are Rs. 6,00,000.

(iv) Margin of Safety when total sales are Rs. 3,50,000.

(b) Explain in brief the following budgets :

(i) Cash budget

(ii) Master budget

(iii) Zero-based budgeting

(iv) Fixed budget.

Or

A Ltd. has prepared the budget for the production of 1,00,000 uits from a costing periods as under :

Particulars	Per unit (Rs.)
Raw materials	10.00
Direct labour	3.00
Direct expences	0.50
Works overhead (60% of fixed cost)	10.00
Administrative overhead (80% of fixed cost)	1.60
Selling overhead (50% fixed)	0.80

Actual production in the period was only 60,000 units. Prepare a budget for the original and revised levels of output.