T.Y.BAF - SEM VI - Reg. Exam - May'2018

Cost A/c - IV

Q. P. Code: 39725

[Time: 2.30 Hours] **[Marks:75]**

Please check whether you have got the right question paper.

N.B:
1. All questions are compulsory.
2. Each questions carries 15 marks.
3. Figures to the right indicate full marks.
4. Use simple calculator.
5. Working should form part of answer.

Q.1 A) Match the column (Rewrite the sentence) **Any Eight** **(08)**

Sr. No	Column A	Column B
1	Make or Buy	Constraint
2	Angle of Incidence	Standard cost – Actual cost
3	Imputed cost	Notional cost
4	Limiting factor	Profit region
5	Cost Variance	Based on Marginal cost
6	Budget	Estimate of Sales
7	Sales Budget	Purchase Manager
8	Efficient buying	Cost incurred in Past
9	Historical cost	Pre determined cost
10	Standard cost	Future Oriented

B) State whether the statements are True or False (Rewrite the sentence) **Any seven** **(07)**

1. Budget is prepared for the future Period.
2. Cash budget shows budgeted receipt and payments.
3. Flexible budget is dynamic.
4. Marginal cost includes variable cost.
5. An increase in sales brings down break even point.
6. Ideal product mix is decided in terms of sales.
7. In case of limiting factor contribution should be calculated in terms of limiting factor.
8. At shut down point operating loss is equal to loss due to shut down
9. Labour strike causes idle time variance.
10. Material yield variance arises due change in waste.

Q.2 A) From the following information of Ram Ltd for two periods Calculate **(15)**

- Profit Volume Ratio
- Break Even point in value
- Sales required to earn the profit of Rs 10 lakhs
- Margin of Safety for **IInd** Period
- Profit when the Sales are 50 lakhs

Particulars	Sales (Rs)	Total cost (Rs)
Period - I	40 Lakhs	36 Lakhs
Period - II	60 Lakhs	52 Lakhs

OR

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Q. 2 **B)** Ram Ltd. produces three products – A, B and C, from the same manufacturing facilities. The cost and other details of the three products are as follows: **(15)**

Particulars		A	B	C
Selling price / Per unit (Rs)		200	160	100
Variable cost/Per unit (Rs)		120	120	40
Fixed expenses/month (Rs)	2, 76,000			
Maximum production per month (units)		5,000	8,000	6,000
Total hours production per month (hours)	200			
Maximum demand per month (units)		2,000	4,000	2,400

The processing hours cannot be increased beyond 200 hours per month. You are required to Compute the most profitable product-mix and Profit from the above product Mix

Q. 3 A) The expenses Budgeted for production at 100 % level of Activity in a factory is given below **(15)**

Particulars	At 100 % level (Rs)
Materials	6,00,000
Labour	2,00,000
Variable Expenses	2,40,000
Fixed Overheads	80,000
Administration Expenses (80% Fixed)	40,000
Selling Expenses (10% Fixed)	1,20,000
Distribution Expenses (20% Fixed)	60,000

Prepare Budget for 60 and 80 percent level of activity

OR

Q.3 B) Jeet India Ltd made a forecast of Selling 1,08,000 units of their products. Two different types of Raw material X and Y are required to make each unit of finished product. 4 kg of Raw material ' X' @ Rs 4 per kg and 6 kg raw material ' Y' @ Rs 3 per kg are required to make one unit of finished product

The Estimated opening balance at the beginning of next year: **(15)**

Finished Product 20,000 units
Raw Material - X 24,000 kg
Raw material - Y 30,000 kg

The desirable closing stock at the end of the next year

Finished Product 28,000 units
Raw Material- X 26,000 kg
Raw material - Y 32,000 kg

Prepare Production Budget, Raw material consumption Budget and Purchase Budget (Quantity and Value)

Q.4 A) The standard cost of a product shows the following: **(15)**

Material cost 5 kg @ Rs 10 per kg
Labour cost 6 hrs @ Rs 12 per hour

The Actual data for the period was

Production 9,000 units
Material consumed 44,000 kg @ Rs 10.25 per kg
Labour cost 55,000 hours @ Rs 11 per hour

Calculate the appropriate Material and Labour variance

OR

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Q.4 B) From the following information about sales calculates: **(15)**

(a) Sales Value Variance (d) Sales Mix Variance
(b) Sales Price Variance (e) Sales Quantity Variance
(c) Sales Volume Variance

Product	Standard Units	Standard Rate Per Unit (Rs)	Actual Units	Actual Rate Per Unit (Rs)
Ram	15,000	10	20,000	11
Shyam	12,000	12	15,000	12
Laxman	13,000	14	15,000	15

Q.5 A) Difference between Marginal costing and Absorption costing. **(08)**
B) Break Even Chart **(07)**

OR

C) Write a Note on Any three **(15)**

1. Key Factor
2. Variances
3. Zero Base budgeting
4. Master Budget
5. Fixed Budget

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