

TYBCOM SEMESTER END ASSESSMENT JUNE 2022

COST & MANAGEMENT ACCOUNTING – TECHNIQUES OF COSTING (DSE 3)

Semester: VI

Duration: 2 Hours

Max Marks: 80

Instructions:

- Question no. 1 is compulsory.
 - Answer any three questions from Question No 2 to Question No 6
 - Figures to the right indicate maximum marks allotted.
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Q. 1 Assuming that the cost structure and selling price remains constant in period 1 and 2 find out: **(20 Marks)**

- a) P/V Ratio for the first year; b) Fixed Costs; c) B.E.P.;
- d) Sales required to earn profit of ₹15,000.;
- e) Profit when sales are ₹1,00,000.
- f) Margin of safety at profit of ₹15,000.

Period	Sales (₹)	Costs (₹)	Profit (₹)
1	1,20,000	1,11,000	9,000
2	1,40,000	1,27,000	13,000

Q. 2 Following information is provided by the management of the company. **(20 Marks)**

Particulars	Product	Amount(₹ per unit)
Direct Material	A	10
	B	9
Direct Labour	A	3
	B	2

Total Fixed Costs Rs. 800

Variable expenses are allocated to product as 100% of direct wages.

Assuming that selling price of product A is Rs. 20 and product B is Rs. 15. Advice the management as to which of the following sales mix will help them to earn maximum profit.

Sales mix 1 Product A – 1000 units and Product B – 2000 units.

Sales mix 2 Product A – 1500 units and Product B – 1500 units.

Sales mix 3 Product A – 2000 units and Product B – 1000 units.

Q. 3 From the data given below, calculate Material Cost Variance, Material Price Variance, Material Usage Variance, Material Mixed Variance. **(20 Marks)**
Consumption per 100 units of product output.

Material	Standard	Actual
A	40 units at ₹ 50 each	50 units at ₹ 50 each
B	60 units at ₹ 40 each	60 units at ₹ 45 each

Q. 4 A. With the help of following information calculate Labour Cost Variance, Labour Rate Variance and Labour Efficiency Variance **(10 Marks)**

Standard Hours : 40 hrs Std Rate: ₹ 3 per hour

Actual Hours: 50 hrs Actual Rate : ₹ 4 per hour.

B. Distinguish between marginal costing and absorption costing. **(10 Marks)**

Q. 5 Answer the following questions **(2 x 10 = 20 Marks)**

- What is the need of control system?
- Explain in detail the principles of reports.

Q. 6 Answer any four from the following **(4 x 5 = 20 Marks)**

- Write a short note in angle of incident.
- What are the objectives of marginal costing?
- Explain the merits of standard costing.
- Write a short note on overhead variances.
- What is performance budgeting?
- Explain the classification of reports