Seat No:		Enrollment No:			
PARUL UNIVERSITY					
FACULTY OF MANAGEMENT MBA Remedial Winter 2017 - 18 Examination					
Semester: 2		Date:09/01/2018			
Subject Code: 06200151	·	Time: 02:00pm to 04:30pm	l		
Subject Name: Cost & Management	Accounting	Total Marks: 60			
1. All questions are compulsory.					
2. Figures to the right indicate full mar	ks.				
3. Make suitable assumptions wherever	r necessary.				
O.1Do as Directed.					
A).Multiple choice type questions	/Fill in the blanks. (l	Each of 1 mark)	(05)		
1. In 'make or buy' decision, it i the firm's own	s profitable to buy from	outside only when the supplier's price is below			
a) Fixed cost		c) prime cost			
b) total cost		d) opportunity cost			
2. When actual loss in a process	is less than Anticipated	Loss, the difference is considered as			
a) Abnormal Loss		c) Abnormal Gain			
b) Normal Loss		d) Normal Gain			
3. Overhead refers to					
a) Direct cost		c) indirect cost			
b) product cost		d) None of the above.			
4. Cost of Production equals to_					
a) Work Cost Plus Admi	nistrative Overhead	c) Work overhead plus Administrative Overhead			
b) Prime Cost Plus Work	x Cost	d) Prime Cost Plus Work Overhead			
5. The P/v ratio of a company is 30,00,000 then Break Even Poin	50% and margin of saft t in Rs. will be	ety is 40%. Of sales. If present sales is Rs.			
a) Rs.900000		c) Rs.500000			
b) Rs.18,00,000		d) Rs.589000			
<b>B).Define the following. (Each of</b>	1 mark)		(05)		
1. Cost accountancy					
2. Cost Unit					
3. Cost Driver					
4. Sunk Cost					
5. Marginal cost			(05)		
C).Direct questions.			(05)		
1.Abnormal Gain					
2. Discretionary cost					
<b>3.</b> Imputed Costs					

- 4. Cost Pool
- 5. Semi variable cost

**Q.2**Answer the following questions.

A).Distinguish between Time rate and Piece rate system of remuneration.

50 Kgs

<b>B).</b>	). The standard labour cost of manufacturing product shows the following standards:				
	Materials	Qty	Standard Price	Amount	
	А	40 Kgs	75	3000	
	В	10Kgs	50	500	

20

1000

The standard mix is 100 Kgs and the standard output of the finished product is 90 kgs. The actual results for the period are:

Α	240000 kgs	80 per /kg
В	40000 kgs	52 per/kg
С	220000 kgs	21 per/kg

The Actual output of the finished product is 420000 kgs. You are required to calculate: Material Cost Variance, Material Price Variance, Material Usage Variance and Material Mix Variance.

## Q.3Answer the following questions.

- A). "Cost accounting system has emerged to overcome the deficiencies of Financial Accounting. Cost (07) Accounting has proved to serve the organization for the purpose of cost control and cost reduction, but despite this fact there are certain obligations against its installation." Justify the statement by explaining its advantages and obligations.
- B). Krishna engineering works manufactured and sold 1000 units of sewing machines in the year 2015. (08) The following are the particulars obtained from the records of the company:

Particulars	Amount
Cost of Materials	80,000
Wages Paid	120000
Manufacturing Expenses	50000
Salaries	60000
Rent, Rates and Insurance	10000
Selling Expenses	30000
General Expenses	20000
Sales	400000

The company plans to manufacture 1200 sewing machines in the year 2016. You are required to submit a Cost Sheet for the current period and a Tender Sheet showing the price at which the machine would be sold so as to earn a profit of 10% on selling price. The following additional information is supplied to you.

- 1. The price of the material will rise by 20% over the previous year's level.
- 2. Wages will rise by 5%.
- 3. Manufacturing expenses per unit will rise in the proportion to the combined cost of materials and wages.
- 4. Selling price per unit will remain unchanged.
- 5. Other expenses will remain unaffected by the rise in output.

(07)

Q.4Attempt any two questions. (Each of 7.5 mark)

**1.**What are the main features of Job and Batch Costing? Distinguish between both the methods of costing and list out the industries in which these techniques are applicable.

2.Write a note on ABC Analysis and EOQ.

- **3.** Discuss the Bin Card Method and Store Ledger.
- **4.** Distinguish between allocation, apportionment and absorption of overheads.

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