PARUL UNIVERSITY
FACULTY OF COMMERCE
M.Com.(Hons) Winter 2019 – 20 Examination

Semester: 1   Date: 19/11/2019
Subject Code: 16200101   Time: 10:30am to 1:00pm
Subject Name: Cost Accounting   Total Marks: 60

Instructions:
1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as directed.

A) Multiple choice type questions.   (Each of one mark)   **(06)**

1. Budgetary control is used to make cost accounting systematic and reliable.
   a) True   b) False

2. Budgetary control does not depend on changing business situations like inflation and economic recession.
   a) True   b) False

3._____ is stated as a budget which is made to change as per the levels of activity attained.
   a) Fixed budget   b) Flexible budget
   c) Both a and b   d) None of the above

4. Cost estimation include(s) the following expenditure(s)
   a) pattern making   b) tool making
   c) selling expenses   d) all of the above

5. Marginal costs is taken as equal to
   a)Variable overheads   b) Prime Cost plus all variable overheads
   c) Prime Cost minus all variable overheads   d) None of the above

6. Fixed expenses decrease per unit with the increases in production and increases per unit with the decrease in production.
   a) True   b) False

B) Definitions / One-liners / Terms.   (Each of one mark)   **(06)**
   1. Marginal costing
   2. Semi variable cost
   3. Activity based costing
   4. Absorption Costing
   5. Prime cost
   6. Event

Q.2 Numerical / Short Note Questions. (Each of 04 mark)   **(12)**
   1. Explain Event, cost Driver & cost pools.
   2. Difference between Direct Labor cost & Indirect Labor cost.
   3. With the help of following data find:

   * Breakeven point

   * Sales to earn profit of Rs 20,000

   Fixed cost – Rs 1,50,000

   Variable cost – Rs 15 pu

   Selling Price – Rs 30 pu

Q.3 Answer the following.   (Any Three)   **(18)**
   1. Define BEP. Write a short note on BEP in details.

2. 2. A company sold in two successive periods 7,000 units and 9,000 units and has incurred a loss of Rs 10,000 and earned Rs 10,000 as profit , respectively. The selling price per unit can be assumed at Rs 100.

You ae required to calculate:
I.   The amount of Fixed cost
II.   The no. of units to break even
The no. of units to earn a profit of Rs. 40,000.

3. State the formulas for the following:
- Material Mixture Variance
- Material yield variance
- Labor yield Variance
- Sales volume variance
- Variable overhead variance
- Sales price variance

4. What are the objectives of budgetary control?

Q.4 Answer the following.   (Any two)   (18)

1. A product passes through 2 processes. The output of process I becomes the input of process II and the output of process II is transferred to warehouse. The quantity of raw materials introduced in the process I is 20,000 kgs @ Rs 10 per kg. The cost and output data for the month under review are as under:

	Process I	Process II
Direct materials	60000	40000
Direct Labor	40000	30000
Production overheads	39000	40250
Normal Loss	8%	5%
Output	18000	17400
Loss realization of Rs/unit	2	3

Required:

Prepare the Process account.

2. What is Cash Budget? Write detailed note on the same.

3. You are given the following data:

	Sales	Profit
Year 2011	Rs 1,20,000	8000
Year 2012	Rs 1,40,000	13000

Find out:
I.   P/V Ratio
II.   BE point
III. Profit when sales are 1,80,000
IV.   Sales required to earn a profit of Rs 12000
MOS for 2012