

(6 pages)

APRIL 2023

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PART B — (5 × 5 = 25 marks)

Answer any FIVE questions.

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer any TEN questions.

1. What is Installation of Costing system?
2. Give the meaning of cost management control.
3. Meaning of cost reduction.
4. What is Product Costing?
5. What is JIT concept?
6. Write short note on the CVP analysis.
7. What is Responsibility Accounting?
8. What is Status Quo?
9. List out the two Advantages of Standard Costing.
10. What is meant by variance analysis?
11. What do you mean by ratio analysis?
12. What is the Current Ratio?

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13. Write a note on

- (a) Spoil
- (b) Defect

14. A product passes through two processes. The following details relate to process I, you are required to ascertain the process cost to be transferred to process II.

	Rs.
Direct materials (100 units)	12,000
Direct Wages	8,000
Direct Expenses	5,000
Overheads	11,000

Input 1000 units; Output 1000 units as there was No loss of units.

15. From the following information relating to Mani Bros. Ltd., you are required to find out. (a) P/V Ratio (b) Breakeven point (c) Profit (d) Margin of safety.

Total fixed costs	=	Rs. 4,500
Total Variables costs	=	Rs. 7,500
Total Sales	=	Rs. 15,000

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16. State the meaning and objectives of inter process profit.

17. The standard estimate for materials to manufacture 1,000 units of a commodity is 400 kgs. at Rs. 2.50 per kg.

When 2,000 units of the commodity are manufactured, it is found that 820 kgs. of materials are consumed at Rs. 2.60 per kg.

Calculate the material variances.

18. From the following information relating to Bright Ltd., Calculate funds lost in operations.

Net loss for the year	90,000
Dividend received	7,000
Depreciation charged	10,000
Profit on sale of asset	5,000
Refund of tax	2,000

19. Calculate cash from operations

Net profit for 1998	Rs. 25,000;
Depreciation	Rs. 1,000;
Prepaid expenses 01.01.1998	Rs. 2,000;
Prepaid expenses 31.12.1998	Rs. 1,000;
Outstanding salary 31.12.1998	Rs. 500

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PART C — (4 × 10 = 40 marks)

Answer any FOUR questions.

20. What is cost control? Explain the importance of cost control.

21. Discuss the Advantages and Disadvantages of Activity based costing.

22. The product of a company passes through two processes to completion known as A and B From past experience it is ascertained that loss is incurred in each process as:

Process A – 2% Process B – 5%

In each case the percentage of loss is computed on the number of units entering the process concerned.

The loss of each possesses a scrap value. The loss of processes A and B is sold at Rs. 5 per 100 units.

The output of each process passes immediately to the next process and the finished units are passed into stock.

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[P.T.O.]

Particulars	Process 'A' Rs.	Process 'B' Rs.
Materials consumed	6,000	4,000
Direct labour	8,000	6,000
Manufacturing expenses	1,000	1,000

20,000 units have been issued to Process A at a cost of Rs. 10,000. The output of each process has been as under; Process A 19,500; Process B 18,800
Prepare process Accounts.

23. The sales turnover and profit during two years were as follows:

Year	Sales (Rs.)	Profit (Rs.)
2006	1,40,000	15,000
2007	1,60,000	20,000

Calculate:

- P/V Ratio
- Break- Even point
- Sales required to earn a profit of Rs. 40,000
- Fixed Expenses and
- Profit When Sales are Rs. 1,20,000.

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24. Enumerate the Advantages of Standard costing.

25. From the following particulars, prepare a funds flow statement.

	Rs.
Increase in working capital	4,000
Net profit before writing off goodwill	10,750
Depreciation on fixed assets	1,750
Dividend of the previous year paid	3,500
Good will written off	5,000
Shares issued for cash	5,000
Purchase of machinery	10,000

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