

(6 pages)

NOVEMBER 2024

66487/511C3C/  
512C3C/513C3C

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer any TEN questions.

1. Define Cost.
2. What do you mean by scrap?
3. What is JIT costing?
4. What are inter-process profits?
5. What is abnormal gain?
6. Expand the term BEP.
7. How do you calculate contribution value?
8. What is labour variance?
9. Give the need for standard costing.

12. Give the use of trend analysis.

PART B — (5 × 5 = 25 marks)

Answer any FIVE questions.

13. Find out the cost per unit after considering wastages in the following case:  
Input — 2000 units  
Cost of input (materials, labour and overheads) — Rs. 13,300.  
Normal wastage — 5 % on input.
14. Prepare process account from the following:  
Input — 100 units at Rs. 20 each  
Wages — Rs.3,300  
Overheads — Rs.1,000  
Normal loss — 10 % with no scrap value.

2

66487/511C3C/  
512C3C/513C3C

15. Prepare Marginal Cost Statement from the following particulars:

	Rs.
Variable Cost: Direct material	4,500
Direct wages	2,500
Factory overheads	1,500
Fixed Cost: Administrative expenses	1,250
Profit	5,250
Sales	15,000

16. Discuss the significance of variance analysis.

17. Calculate current ratio and quick ratio from the following balance sheet :

Liabilities	Rs.	Assets	Rs.
Equity capital	1,50,000	Fixed assets	1,62,000
Revenue reserves	30,000	Stock	22,000
8% Debentures	20,000	Debtors	51,000
Sundry creditors	49,000	Bills receivable	2,000
		Bank	12,000
	2,49,000		2,49,000

10. Define ratio.

11. What do you mean by cash flow statement?

20. Describe the various cost control techniques.

21. Amba Industries Ltd. produces a product through two processes I and II During March 2022, 20,000 units of material was introduced into Process-I. By the end of month 13,000 units were completed and transferred to Process-II. The remaining units were estimated to be completed in all respects to the extent of 60%. Compute the equivalent production for the purpose of cost ascertainment.

18. Calculate direct labour cost variance from the given details:

Standard rate of wages per hour	-	Rs.10
Standard hours	-	300
Actual rate of wages per hour	-	Rs.12
Actual hours	-	200

19. Distinguish between Fund Flow Statement and Cash Flow Statement?

PART C — (4 × 10 = 40 marks)

Answer any FOUR questions.

22. An automobile manufacturing company finds that the cost of making Part No. 208 in its own workshop is Rs. 6. The same part is available in the market at Rs. 5.60 with an assurance of continuous supply. The cost data to make the part are as follows:

Material	-	Rs. 2
Direct labour	-	Rs. 2.50
Other variable cost	-	Re. 0.50
Fixed cost allocated	-	Re. 1
		<u>Rs. 6.00</u>

- (a) Should the part be made or bought?  
 (b) Will your answer be different if the market price is Rs. 4.60?

Show your calculations clearly.

23. Product X requires 20 kgs. of material at Rs. 4 per kg. The actual consumption of material for the manufacturing of product X came to 24 kgs. of material at Rs. 4.50 per kg. Calculate material cost variance, material price variance and material usage variance.

5

66487/511C3C/  
512C3C/513C3C

24. Calculate Gross Profit ratio, Net Profit ratio, Operating Profit ratio and Operating ratio:

Sales	-	Rs. 21,000
Sales returns	-	Rs. 1,000
Cost of sales	-	Rs. 16,400
Interest expenses (Non-operating)	-	Rs. 100
Income from investments	-	Rs. 200
Administration expenses	-	Rs. 1,300
Selling expenses	-	Rs. 700
Depreciation	-	Rs. 200

25. Calculate funds from operations from the following P & L account:

Particulars	Rs.	Particulars	Rs.
To Expenses paid	3,00,000	By Gross Profit	4,50,000
To Depreciation	70,000	By Gain on sale of land	60,000
To Loss on sale of machine	4,000		
To Discount	200		
To Goodwill	20,000		
To Net profit	1,15,800		
	5,10,000		5,10,000

6

66487/511C3C/  
512C3C/513C3C