21CSP09/18CSP09

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom (CS) DEGREE EXAMINATION MAY 2022
(Second Semester)

Branch – **CORPORATE SECRETARYSHIP**

COST AND MANAGEMENT ACCOUNTING

Time: Three Hours Maximum: 50 Marks

SECTION-A (5 Marks)
Answer **ALL** questions
ALL questions carry **EQUAL** marks (5 x 1 = 5)

1. The total of all direct expenses is stated as
(a) Prime Cost (b) Works Cost
(c) Factory Cost (d) None of the above

2. Unit Costing is also identified as
(a) Process Costing (b) Job Costing
(c) Multiple Costing (d) Single or Output Costing

3. Break Even Chart is a chart which indicates
(a) Sales (b) Total Cost
(c) Sales and Total Cost (d) None of the above

4. Sales Budget indicates
(a) Budget of outputs to be sold (b) Budget for selling expenses
(c) Budget for revenue and expenses (d) A list of incentives to salesmen

5. Horizontal Analysis is identified with analyzing
(a) Financial statements of a particular year
(b) Half yearly statement
(c) Financial statements of several years
(d) None of the above

SECTION - B (15 Marks)
Answer **ALL** Questions
ALL Questions Carry **EQUAL** Marks (5 x 3 = 15)

6 a Explain about Management Accounting.

OR

b State the objectives of Cost Accounting.

7 a Fifty units are introduced into a process at a cost of Rs.50. The total additional expenditure incurred in the process is Rs.32 of the units introduced 10 percent are normally spoiled in the course of manufacture, and these possess a scrap value of Rs.0.20 each. Forty units are produced and transferred to next process. Prepare Process Account.

OR

b From the following information, prepare an estimate in the form of Job Cost sheet:

Particulars	Quantum
Direct Materials consumed	Rs.1,000
Direct Wages paid	Rs.2,000
Factory expenses	60% on wages
Office expenses	20% on factory cost
The tender should include a profit of 20% on selling price	

Cont...

8 a A manufacturing company finds that while the cost of making a product is Rs.20 each, the same is available in the market at Rs.16 per unit. Give your recommendation as whether to make or buy this product. The cost data is as follows:

Particulars	**Cost per unit (Rs)**
Raw materials	8
Wages	6
Variable expenses	3
Fixed expenses	3
Total cost	20

OR

b Explain about Standard Costing.

9 a A manufacturing company submits the following sales budget for a product in the first quarter of a year:

Month	Sales (in units)
January	30,000
February	25,000
March	35,000

Selling price per unit is Rs.20
The Managing director is unsatisfied with the budget and asks the sales manager to increase the sales quantity by 10% and selling price by 10%. Prepare a revised sales budget.

OR

b Discuss about Zero Based Budgeting.

10 a Sketch the three components of Cash Flow Statement.

OR

b Find out Current Asset and Current Liability when Current Ratio is 2.4 and working capital is Rs.1,40,000.

SECTION -C (30 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** Marks (5 x 6 = 30)

11 a Compare and differentiate cost control from cost reduction.

OR

b Elucidate cost classification according to relevance to decision making by management.

12 a The following was the expenditure on a contract for Rs.4,00,000 commenced in January 2022:

Particulars	Amount (Rs)
Materials	1,20,000
Wages	1,64,400
Plant	20,000
Business Charges	8,600

Cash received on account to 31st March 2022 was Rs.3,00,000. Prepare an account and show the proportionate profit which might reasonably be taken to profit and loss account after allowing 10% depreciation on plant. The amount of work certified on that date being Rs.3,50,000.

OR

b Elucidate the differences between Job Costing and Contract Costing.

13 a Elucidate the limitations of break-even analysis.

OR

b The standard material and standard cost per Kg. of material required for the production of one unit of product A is as follows: Material: 5 Kgs.; Standard Price: Rs.5 per Kg.
The actual production and related material data are as follows:

400 units of Product A; Material used: 2,200 Kgs.; Price of Material: Rs.4.50 per Kg.

Calculate Material Variances.

14 a Alpha Ltd., Plan to sell 1,10,000 units of certain product line in the first fiscal quarter; 1,20,000 units in the second quarter; 1,30,000 units in the third quarter and 1,50,000 units in the fourth quarter; and 1,40,000 units in the first quarter of the succeeding year. At the beginning of the first quarter of the current year, there are 14,000 units of product in stock. At the end of each quarter, the company plans to have an inventory equal to one-fifth of the sales for the next fiscal quarter. Prepare a Production Budget for each quarter.

OR

b Enumerate the steps involved in the installation of a system of budgetary control.

15 a From the following Profit and Loss Account compute Funds from Operations.

Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
To Salaries	13,000	By Gross Profit	2,00,000
To Rent	3,000	By Profit on sale of Machinery	5,000
To Provision for Depreciation	14,000	By Refund of Tax	5,000
To Transfer to Reserve	20,000		
To Provision for Tax	10,000		
To Loss on sale of Investments	5,000		
To Preliminary expenses	5,000		
To Selling expenses	20,000		
To Net Profit	1,20,000		
	2,10,000		2,10,000

OR

b Elucidate Ratio Analysis and enumerate its limitations.

Z-Z-Z

END