

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom DEGREE EXAMINATION DECEMBER 2023

(Third Semester)

Common to Branches - **COMMERCE & COMMERCE WITH COMPUTER APPLICATION**

ADVANCED COST & 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 Identify Cost accounting started as a branch of _____.
(i) Financial accounting (ii) Management accounting
(iii) Corporate accounting (iv) Financial Management
- 2 Time wages are paid on the basis of _____.
(i) Standard time (ii) Time saved
(iii) Output produced (iv) Actual time
- 3 Indicate Job cost is usually estimated on the basis of _____.
(i) Customer's specification (ii) Production cost
(iii) Competitor's prices (iv) Government regulations
- 4 Name _____ variance is the difference between standard cost of labour and actual cost of labour.
(i) Labour rate (ii) Labour cost
(iii) Labour efficiency (iv) Idle time
- 5 _____ budget is one who which incorporates all functional budgets.
(i) Master (ii) Flexible
(iii) Sales (iv) Finance

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a Analyze the essentials elements of good costing system.
OR
b State the difference between cost and management accounting.
- 7 a Calculate the Economic Order Quantity from the following information.
Also state the number of orders to be placed in a year.
Consumption of materials per annum 10,000 kg
Order placing costs per order Rs.50
Cost per kg of raw materials Rs. 2
Storage costs 8% on average inventory.
OR
b From the following particulars, ascertain the labour cost per day of 8 hours.
 - i) Basic pay – Rs. 200 per month
 - ii) Leave pay – 5%
 - iii) Employer's contribution to Provident Fund – 8% of (i) and (ii)
 - iv) Employer's contribution to ESI – 2 ½ % of (i) and (ii)
 - v) Pro-rata amenities – Rs.17.95 per head per month
 - vi) Working hours in a month - 200

Cont...

- 8 a Classify different and apportionment of overheads.

OR

- b The following particulars are extracted from the books of a contractor in respect of contract N0: 21 which was still unfinished on 31st December 2007.

	Rs.
Materials	42,000
Wages	30,000
Direct charges	25,000
Materials on hand at site	2,000

Rs.12,000 have been received from the contractee, being 75 percent of the work certified. Find out the profit to be credited to profit and loss account, if the value of work completed, but uncertified, amounted to Rs.25,000. Contract price is Rs.3,00,000.

- 9 a Vasanth Ltd. presents the following results for one year. Calculate the P/V Ratio and BEP.

	Rs.
Sales	2,00,000
Variable costs	1,20,000
Fixed cost	50,000
Net profit	30,000

OR

- b From the following calculate.

- Labour cost variance
- Labour rate variance and
- Labour efficiency variance

	Standard	Actual
Labour hours	5,000	6,000
Wage rate per hour	Rs.4	Rs.3.50

- 10 a Prepare a production budget for 3 months ending March 31,2016 for a factory producing four products. On the basis of the following information

Type of Product	Estimated stock on Jan 1,2016	Estimated sales during March 2016	Desired closing stock 31,2016
A	2,000	10,000	3,000
B	3,000	15,000	5,000
C	4,000	13,000	3,000
D	3,000	12,000	2,000

OR

- b Explain the steps involved in Responsibility accounting.

SECTION -C (30 Marks)

Answer any **Three** questions

ALL questions carry **EQUAL** Marks

(3 x 10 = 30)

- 11 Analyze the role and functions of management accountant.

Cont...

- 12 A firm issues material under LIFO Basis. Show the stores ledger.

2019 Jan.	01	Stock 100 units – value Rs.1,200
	07	Purchases 1,000 units at Rs.13 per unit
	08	Purchases 900 units at Rs. 14 per unit
	12	Issue 1,100 units
	15	Issue 500 units
	20	Purchase 600 units at Rs.12 per unit
	24	Issue 800 units
	28	Issue 150 units

- 13 A product passes through three processes I, II and III. From the following information, prepare the processes accounts, assuming that there were no opening or closing stocks.

	Process I (Rs.)	Process II (Rs.)	Process III (Rs.)
Materials	1,000	1,500	500
Labour	5,000	8,000	6,500
Overheads	1,050	1,188	2,009
Actual output (units)	9,500	9,100	8,100
Normal loss	3%	5%	8%

The wastage of Process I was sold at 25 paise per unit, that of process II at 50 paise per unit and that of process III at Rs. 1 per unit. 10,000 units were issued to the Process I in the beginning at a cost of Rs.1 per unit.

- 14 From the following information compute:

- i) Material cost variance
- ii) Material price variance
- iii) Material usage variance

	Standard			Actual		
	Quantity	Unit Price	Total	Quantity	Unit Price	Total
Material A	10	2	20	5	3	15
Material B	20	3	60	10	6	60
Material C	20	6	120	15	5	75
	50		200	30		150

- 15 Prepare a cash budget for January to April months from the following information:

Month	Purchases (Rs.)	Sales (Rs.)
January	48,000	60,000
February	80,000	40,000
March	81,000	45,000
April	90,000	40,000

Monthly wages payable Rs.5,000. Cash as on 1st January Rs.8,000.