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PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2025
(Fourth Semester)

Branch – **COMMERCE (PROFESSIONAL ACCOUNTING)**

COST & MANAGEMENT ACCOUNTING - II

Time: Three Hours   Maximum: 75 Marks

SECTION-A (10 Marks)
Answer **ALL** questions

ALL questions carry **EQUAL** marks   (10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Identify Equivalent units in process costing -------- a) Actual units produced b) Completed units plus equivalent units of work-in-progress c) Only completed units d) Units yet to be started	K1	CO1
	2	In process costing, normal loss is ----------- a) Ignored completely b) Added to total cost c) Expected and included in cost calculations d) Considered an abnormal loss	K2	CO1
2	3	Which document that records the costs incurred for a specific contract is called ----------- a) Process Cost Sheet b) Job Cost Sheet c) Contract Account d) Cost of Production Report	K1	CO2
	4	Work certified in contract costing refers to ---------- a) The work that has been physically completed b) The work completed and approved by the contractee's architect c) The total cost incurred on the contract d) The estimated value of the total contract	K2	CO2
3	5	When actual costs are lower than standard costs, the variance is ------------ a) Favorable b) Adverse c) Abnormal d) Neutral	K1	CO3
	6	Standard costing is most effective when used in ____ a) Small-scale industries b) Service industries c) Large-scale manufacturing industries d) Financial institutions	K2	CO3
4	7	Contribution in marginal costing is indicated as _________ a) Sales – Variable cost b) Sales – Fixed cost c) Sales – Total cost d) Sales – Prime cost	K1	CO4
	8	The break-even point is the level where ----------- a) Total revenue equals total cost b) Fixed costs are zero c) Profit is maximized d) Variable costs are higher than sales	K2	CO4
5	9	The master budget consists of --------------- a) Sales and production budgets only b) Only the financial budget c) A summary of all functional budgets d) The cash budget only	K1	CO5
	10	When cash budget is prepared __________ a) Control income and expenditure b) Forecast cash inflows and outflows c) Estimate profit and loss d) Track non-cash transactions	K2	CO5

SECTION - B (35 Marks)
Answer **ALL** questions

ALL questions carry **EQUAL** Marks   (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Explain the distinctive features of Process Costing.	K3	CO1
		(OR)		

Cont...

1	11.b.	Prepare Process Account from the following: Materials issued 1,000 kg @ Rs. 125 Wastage Rs.28,000 Overheads Rs. 8,000 Normal loss 5% of input: Output 900kgs	K3	CO1
2	12.a.	How much of profit, would you allow to be considered in the following case? Rs Contract Cost 2,80,000 up –to-date Contract Value 5,00,000 Cash Received 2,70,000 Uncertified work 30,000 Deduction from bills by way of Security 10%.	K3	CO2
		(OR)		
	12.b.	Ramlal and Sons took a contract of constructing a building. The contract price was Rs. 10 lakhs. It was agree that 75% of the value of work certified shall be paid in advance at the end of each year. The value of work certified for the first two years was: First year Rs. 3,00,000 Second year Rs. 5,00,000 The entire work was finished by the end of third year and comtractee paid the balance amount by a cheque. Open contractee's Account in the Contractor.		
3	13.a.	Analyze the advantages of standard costing.	K4	CO3
		(OR)		
	13.b.	Calculate the materials mix variance from the following: Material — Standard — Actual A — 90 Units at Rs.12 each — 100 Units at Rs. 12 each B — 60 Units at Rs.15 each — 50 Units at Rs. 16 each		
4	14.a.	Solve the problem and calculate profit, if variable cost = 50,000; Fixed cost= Rs.20,000 ; Selling price= Rs. 80,000.	K4	CO4
		(OR)		
	14.b.	Calculate the amount of variable cost from the following particulars: Sales 1,50,000 Fixed Cost 30,000 Profit 40,000		

5	15.a.	Using the following information, prepare a flexible budget for the production of 80% and 100% activity. Production at 50% Capacity: 5,000 Units Raw Materials: Rs 80 per unit Direct Labor: Rs 50 per unit Direct Expenses: Rs 15 per unit Factory Expenses: Rs 50,000 (50) (Fixed) Administration Expenses: Rs 60,000 (Variable)	K4	CO5
		(OR)		
	15.b.	Outline the Essential of Budget and Budgetary Control.	K4	CO5

SECTION -C (30 Marks)

Answer **ANY THREE** questions

ALL questions carry **EQUAL** Marks (3 × 10 = 30)

<table>
<tr><th>Module No.</th><th>Question No.</th><th>Question</th><th>K Level</th><th>CO</th></tr>
<tr><td>1.</td><td>16</td><td>From the information, find the profit made by each product, apportioning joint-costs on the sale-value basis.
Join – Cost: Rs
Direct Materials 1,26,000
Power 25,000
Petrol, oil, lubricants 5,000
Labour 7,500
Other charges 4,100

| | Product X | Product Y |
| | Rs | Rs |
| Selling Costs | 20,000 | 80,000 |
| Sales | 1,52,000 | 1,68,000 |</td><td>K4</td><td>CO1</td></tr>
<tr><td>2</td><td>17</td><td>The Road Transport Co. which keeps a fleet of lorries, gives the following information:
Kilometres run for April 30,000
Wages for April 2,000
Petrol, oil ect.,for April 4,000
Original cost of Vehicles 1,00,000
Depreciation to be allowed @25% per annum on original cost.
Repairs for the month of April RS 6,000
Garage Rent etc. For the year RS 1,000
Licence, Insurance etc for the year RS 6,000

Prepare and point out a statement for April, showing the fixed and variable cost per running km.</td><td>K4</td><td>CO2</td></tr>
<tr><td>3</td><td>18</td><td>The Standard materials required for producing 100 units is 120kgs. A standard price of 0.50 paise per kg is fixed and 2, 40,000 units were produced during the period. Actual materials purchased were 3, 00,000 kgs. at a cost of Rs1, 65,000. Solve Material Variance.</td><td>K3</td><td>CO3</td></tr>
<tr><td>4</td><td>19</td><td>From the following information relating to Quick Standard Ltd., you are required to Solve:
a) Contribution
b) B.E.P. in unites
c) Margin of Safety, and
d) Profit,
Total fixed cost Rs. 4,500
Total Variable Cost Rs. 7,500
Total Sales Rs. 15,000
Units Sold 5,000
e) Also Calculate the Volume of sales to earn a Profit of Rs.6000.</td><td>K3</td><td>CO4</td></tr>
<tr><td>5</td><td>20</td><td>Discuss the limitations of Budgetary control.</td><td>K4</td><td>CO5</td></tr>
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Z-Z-Z END