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(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2017

(Third Semester)

Branch - **COMMERCE (COST & MANAGEMENT ACCOUNTING)**

ADVANCED COST AND MANAGEMENT ACCOUNTING

Time : Three Hours Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 x 2 = 20)

1 Name the two types of costing.

2 Mention the features of process costing.

3 What is job costing?

4 How did the firm calculate profit on uncompleted contract?

5 Define budgetary control.

6 What is meant by functional budget?

7 Define break even point.

8 Mention the formula to calculate P/V ratio.

9 Define activity based costing.

10 What do you mean by SWOT?

SECTION - B (25 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

11 a State the practical difficulties in installation of ideal cost system.

OR

b Write in brief about absorption costing.

12 a A mineral is transported from two mines - ‘A’ and ‘B’ and unloaded at plots in a railway station. Mine A is at a distance of 10 km and B is at a distance of 15 km from railhead plots. A fleet of lorries of 5 tonnes carrying capacity is used for the transport of mineral from the mines. Records reveal that the lorries average a speed of 30 km per hour, when running and regularly take 10 minutes to unload the railhead. At mine ‘A’ loading time averages 30 minutes per load while at mine B loading time averages 20 minutes per load. Driver’s wages, depreciation, insurance and taxes are found to cost Rs. 9 per hour operated. Fuel, oil, tyres, repairs and maintenance cost Rs. 1.20 per km. Draw up a statement, showing the cost per tonne - kilometer of carrying mineral from each mine.

OR

b The following was the expenditure on a contract for Rs. 5,00,000 commenced in February 2016:

	Rs.
Materials	60,000
Wages	80,000
Plant	30,000
Business charges	5,000

Cash received on account of December 2016 amounted to Rs. 1,80,000 being 80% of the work certified.

Cont ....

12 b Cont...

The value of materials in hand at 31-12-2016 Rs, 12,000.

Prepare contract a/c for 2016 showing the profit to be credited to the year's profit & loss a/c. Plant depreciation 8%.

13 a Briefly discuss the process of zero base budgeting.

OR

b A company produces 1,000 units at 100% capacity and the costs at this level are as follows:

Fixed	Rs. 5,000
Variable	Rs. 3 per unit
Semi variable	Rs. 4 per unit(40% variable)

Draw up a flexible budget for 80%, 90% and 100%production capacity.

14 a From the following information, calculate break even point in units and in sales

Output	5,000 units
Selling price	Rs.20
Variable cost	Rs.10
Total fixed cost	Rs.15,000

OR

b Calculate labour variances:

Standard labour rate : 20 paise per hour

Standard hours requires per unit: 20 hours

Actual data:

Units produced 1,000

Standard hours worked 4,000

Actual labour cost 1,800.

.D a Write a note on target costing.

OR

b Write a note on Kaizen value analysis.

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 30)

16 State the ways to overcome the difficulties in installation of costing system.

17 A product passes through three distinct processes to completion. These processes are numbered respectively I, II & III. During the week ended 15th January 2017, 500 units are produced. The following information is obtained:

Particulars	Process I (Rs.)	Process II (Rs.)	Process 111 (Rs.)
Direct materials	3.500	1,600	1.500
Direct labour	2.500	2,000	2.500

The overhead expenses for the period were Rs. 1,400 apportioned to the processes on the basis of wages. No. work-in-progress or process stock existed at the beginning or at the end of the week. Prepare process account.

18 S.K. Brothers with to approach the bankers for temporary overdraft facility for the period from October 2010 to December 2010. During the period of these three months, the firm will be manufactured mostly for stock. You are required to prepare cash budget for the above period.

Month	Sales (Rs.)	Purchase (Rs.)	Wages (Rs.)
August	3,60,000	2,49,600	24,000
September	3,84,000	2,88,000	28,000
October	2,16,000	4,86.000	22.000
November	3,48,000	4,92,000	20.000
December	2,52,000	5,36,000	30,000

a) '50% of the credit sales are realised in the month following the sales and remaining 50% of the second following.
b) Creditors are paid in the month following the month of purchase
c) Estimated cash as on 1.10.2010 is Rs. 50,000.

19 The sales turnover and profit during two periods were as follows:

Period I	Sales Rs. 20 Lakhs	Profit Rs. 2 Lakhs
Period II	Sales Rs. 30 Lakhs	Profit Rs. 4 Lakhs

Calculate :
i) PV ratio
ii) Sales required to earn a profit of Rs. 5 Lakhs
iii) Profit when sales are Rs. 10 Lakhs.

20 What is lean management? State its guiding principles.

Z-Z-Z END