

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2022
(Fourth Semester)

Branch – COMMERCE (BUSINESS ANALYTICS)

COST AND MANAGEMENT ACCOUNTING

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

- 1 Cost classification can be done in
(i) Two ways (ii) Three ways
(iii) Four ways (iv) Several ways
- 2 The term management accountancy was first used in
(i) 1910 (ii) 1939
(iii) 1950 (iv) 1952
- 3 Material requisition is meant for
(i) Purchase of materials (ii) Supply of material from stores
(iii) Sale of material (iv) None of the above
- 4 Overtime is
(i) Actual hours being more than normal hours
(ii) Actual hours being more than standard hours
(iii) Stand hours being more than actual hours
(iv) None of these
- 5 Factory overhead is also termed as
(i) Sundry overhead (ii) Extra overhead
(iii) Works overhead (iv) None of these
- 6 Contract costing is the most appropriate method of costing for
(i) construction industry (ii) Banking industry
(iii) Textile mills (iv) Cement Industry
- 7 Which of the following will result into application of funds?
(i) Sale of Plant (ii) Purchase of land
(iii) Issue of shak capital (iv) Payment of creditors
- 8 Cash flows are classified as:
(i) Operating and Non-operating flows
(ii) Cash and Non-operating items
(iii) Operating investing and financing activities
(iv) Investing and non-operating flows
- 9 Budgetary control is a system of controlling
(i) sales (ii) costs
(iii) profit (iv) loss
- 10 Contribution is
(i) Excess of sales over total cost (ii) Excess of cost of sales oversales
(iii) Excess of sales over fixed cost (iv) Excess of sales over variable cost

Cont...

SECTION - B (35 Marks)

Answer ALL questions
ALL questions carry EQUAL Marks (5 x 7 = 35)

11 a What is the scope of Cost Accounting?

OR

b What are the scope of Management Accounting?

12 a Following information relating to a type of raw material is available.

Annual demand 2,400 units

Unit price Rs. 2.40

Ordering cost per order Rs.4

Storage cost 2% per annum

Interest Rate 10% per annum

Lead time half month

Calculate economic order quantity and total amount of inventory cost in respect of the particular raw material.

OR

b Calculate the labour cost for the month of July 2010 relating for a workman from the following.

Basic Pay Rs. 200 per mensem

D.A. Rs. 150 per mensem

Employer's contribution to state insurance 6% of Basic and D.A.

Fringe benefits Rs. 100 per mensem

Employer's contribution to provident fund

5% of Basic and DA Employee's contribution to state insurance and provident fund is equal to that of employer.

13 a A transport company operates 4 buses on a route 100 kms long. Each bus makes three round trips per day on all 30 days in a month. On an average 20% of the vehicles are in garage for repairs and maintenance. Ascertain the total distance covered by the buses in one month period.

OR

b A product passes through two processes. The following details relate to process 'A' you are required to ascertain the process cost to be transferred to process is

	Rs.
Direct Materials (100 units)	12,000
Direct Wages	8,000
Direct expenses	5,000
Overheads	11,000

Input 1000 units output 1000 units as therefore was no loss of units.

14 a Calculate Funds from operations from the information given below as on 31st March 2013

i) Net profit for the year ended 31st March 2013 Rs.6,50,000

ii) Gain on the sale of building Rs. 35,500

iii) Goodwill appears in the books at Rs.1,80,000 out of that 10 per cent has been written off during the year.

iv) Old machinery worth Rs.8,000 has been sold for Rs. 6,500 during the year.

v) Rs. 1,25,000 have been transferred to the General reserve fund

vi) Depreciation has been provided during the year on machinery and Furniture at 20% whose total cost is Rs.6,50,000.

OR

b Explain the various sources of funds.

Cont...

15 a Explain "Zero Base Budgeting".

OR

b Vasanth Ltd. Presents the following results for one year. Calculate the P/V ratio, BEP and margin of safety.

Sales	2,00,000
Variable Costs	1,20,000
Fixed Cost	50,000
Net profit	30,000

SECTION - C (30 Marks)

Answer any **THREE** Questions

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

16 Discuss the various elements of cost.

17 Material A is used as follows

Maximum usage in a month	600 Units
Minimum usage in a month	400 Units
Average usage in a month	450 Units
Lead time : Maximum	6 months, minimum 2 months
Records	Quantity : 1,500 units.
Maximum records period	emergency purchases one month.

Calculate:

- Reorder level
- maximum level
- minimum level
- average stock level
- danger level

18 Work out the machine hour rate for the following machine whose scrap value is Nil.

- Cost of machine Rs. 3,60,000
- Firelight and installation Rs. 40,000
- working life : 20 year
- working hours : 8,000 per year
- Repair charges: 50% of depreciation
- Power : 10 units per hour @ 10 paise per unit
- Lubricating oil @ Rs.2 per day of 8 hours.
- Consumable stores @ Rs. 10 per day of 8 hours
- Wages of operator @ Rs. 4 per day.

19 From the following prepare a cash flow statement.

Balance Sheet

Liabilities	2001	2002	Assets	2001	2002
Share Capital	65,000	78,000	Fixed Assets	83,000	86,000
P2C A/c	4,000	6,500	Stockin trade	29,000	37,000
Debetors	30,000	25,000	Cash	8,000	9,000
Creditors	17,000	16,000	Prepaid Exp	1,000	1,500
Bills payable	4,000	5,000	Goodwill	1,000	--
O/s exp	2,000	3,000			
	1,22,000	1,33,500		1,22,000	1,33,500

Cont...

20 The expenses for the production of 5000 units in a factory are given as follows.

	Per unit
Materials	50
Labour	20
Variable overheads	15
Fixed overheads (Rs. 50,000)	10
Administrative expenses (5% Variables)	10
Selling expenses (20% fixed)	6
Distribution Expenses (10% Fixed)	5
Total cost of sales per unit	116

Z-Z-Z

END