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SUB – 15

**B.Com. (Semester – VI) Examination, April 2013**  
**COST AND MANAGEMENT ACCOUNTING – METHODS AND**  
**TECHNIQUES OF COSTING – II (Major II)**

Duration : 2 Hours

Total Marks : 80

- Instructions :** 1) Question No. I is compulsory.  
2) Answer any 3 from Q. No. II to VI.  
3) All questions carry equal marks.  
4) Give working notes wherever necessary.

- I. Assuming that the cost structure and selling prices remain the same in periods I & II, find out.
- a) P/V Ratio
  - b) Fixed cost
  - c) BEP for sales
  - d) Profit when sales are of Rs. 2,00,000
  - e) Sales required to earn a profit of Rs. 40,000
  - f) MOS at a profit of Rs. 30,000
  - g) Variable cost in period II

Period	Sales	Profit
I	Rs. 2,40,000	Rs. 18,000
II	Rs. 2,80,000	Rs. 26,000

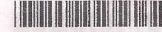
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- II. From the following data calculate :
- a) Total material cost variance
  - b) Total material price variance
  - c) Total material usage variance

Materials	Standard	Actual
A	1010 units Rs. 1 each	1080 units Rs. 1.20 each
B	410 units Rs. 1.50 each	380 units Rs. 1.80 each
C	350 units Rs. 2.00 each	380 units Rs. 1.90 each

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- III. a) Explain any five fields covered by uniform costing system.
- b) Assuming that product A & B use the same raw-material, comment on the profit- ability of each product, when
- Total sales potential in units is limited
  - Total sales potential in value is limited
  - Raw-material is in short supply
  - Machine hour is the limiting factor

Particulars	Product A	B
Selling price (PU)	Rs. 100	Rs. 110
Consumption of materials Per unit	5 Kg	4 Kg
Cost of material	Rs. 24	Rs. 14
Direct wages	Rs. 2	Rs. 3
Variable overheads	Rs. 4	Rs. 6
Machine Hrs. used	2	3

(10×2=20)

- IV. a) What is uniform costing ? Write its merits and demerits
- b) From the following data, calculate labour variances.

The budgeted labour force for product "A" is

20 semi-skilled workers at Rs. 75 per hour for 50 hours

10 skilled workers at Rs. 125 per hour for 50 hours

The actual labour force used for product "A" is

22 semi-skilled workers of Rs. 80 per hr for 50 hrs.

08 skilled workers at Rs. 120 per hr for 50 hrs.

(10×2=20)



- V. a) Write in short about sales and overhead variances.
- b) Write in brief about application of marginal costing. (10×2=20)

VI. Explain **any four** of the following :

- a) Principles of a good reporting
- b) Uniform costing manual
- c) Responsibility accounting
- d) Requirements for Inter-firm comparison
- e) Performance budgeting
- f) Contribution and MOS

(5×4=20)

- i) Fixed cost
- ii) BEP for sales
- iii) Profit when sales are of Rs. 2,00,000
- iv) Sales required to earn a profit of Rs. 40,000
- v) MOS at a profit of Rs. 30,000
- vi) variable cost per unit

Period	Sales	Profit
I	Rs. 2,40,000	Rs. 18,000
II	Rs. 2,80,000	Rs. 28,000

- II. From the following data calculate:
- a) Total material cost variance
  - b) Total material price variance
  - c) Total material usage variance

Materials	Standard	Actual	Rate
A	1010 units Rs. 1 each	1000 units Rs. 1.20 each	
B	410 units Rs. 1.50 each	380 units Rs. 1.80 each	
C	350 units Rs. 2.00 each	380 units Rs. 1.90 each	