

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA-GOA
B.COM. (SEMESTER - V) EXAMINATION, JULY 2021
TECHNIQUES OF COSTING (DSE 3)

Duration: Two hours

Max. Marks: 30

QI) Answer any **FIVE** from the following: (2 x 5 = 10 Mks)

- a) What are the various types of reports?
- b) Define Material Mix Variance.
- c) Explain the meaning of Key factors in marginal costing.
- d) What do you mean by Transfer pricing?
- e) Define Marginal Costing.
- f) What do you mean by Performance Budgeting?
- g) Explain in short general principles of reporting.
- h) What do you mean by Break Even Point?

QII) Answer any **FOUR** from the following: (5 x 4 = 20 Mks)

A. From the information given below, you are required to prepare statement of Profit earned for the year based on Marginal Costing.

Total Production in units per year	40,000 units
Total Sales in units per year	32,000 units
Selling price	₹ 60 per unit
<u>Production Cost</u>	
Direct Material	₹ 14 per unit
Direct Labour	₹ 12 per unit
Variable Overheads	₹ 8 per unit
Fixed office overheads	₹ 2,16,000 per year
Selling & Distribution overheads Fixed	₹ 50,000 per year
Selling & Distribution overheads Variable	15% on sales revenue

B. From the following data, you are required to calculate following:

- i. P/V Ratio
- ii. Fixed cost per year
- iii. BEP Sales per year

YEAR	SALES	TOTAL COST
2020	3,00,000	2,60,000
2021	2,40,000	2,18,000

C. Following information is available from the cost records of a manufacturing company.

Material	Std Qty (units)	Std. Price (₹)	Actual Qty (units)	Actual. Price (₹)
A	1010	10	1080	12
B	410	15	380	18
C	350	20	380	19

Calculate :

- i. Material Cost Variance
- ii. Material Price Variance
- iii. Material Usage Variance

Contd...2/-

D. State the various differences between Marginal Costing and Absorption Costing.

E. State the formula for the following:

- i. Labour Cost Variance
- ii. Material Mix Variance when standard mix and actual mix differs
- iii. Material Yield Variance
- iv. Margin of Safety
- v. Sales required to earn a desired amount of profit.

F. From the following information calculate Material Mix Variance.

Material	Std Qty (units)	Std. Price (₹)	Actual Qty (units)	Actual. Price (₹)
A	2000	2	1000	3
B	4000	3	2000	6

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