

Goa Vidyaprasarak Mandal's GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS, PONDA-GOA

M.COM. (SEMESTER - III) EXAMINATION, NOVEMBER 2014 ACCOUNTING AND FINANCE CO3A4: ADVANCED COST ACCOUNTING

Duration: 2 Hours

Max. Marks: 50

Instructions: 1) All questions are compulsory. 2) Each question carries 10 marks.

Q.1) Answer the following:

(5x2 = 10)

a) What is zero-based budgeting?

b) Explain job costing and its advantages

c) What is the difference between cost reduction and cost control?

d) XYZ Ltd furnish the following information of its product N production

Particulars	Present	Proposed
Actual sales	10,000	10,000
Selling price per unit	50	40
Variable cost per unit	30	30
Fixed cost per unit	60,000	60,000

Calculate: 1) p/v ratio 2) Break even point.

e) From the following budgeted and actual sales for the month of August of product Z, you are required to calculate:

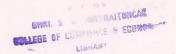
i) Sales value variance ii) Sales mix variance

Product	Budgete	ed	Actual	
d of any mon	units	Sales price	Units	Sales price
re next mSm	3000	7.00	4000	6.75

Q.2a) What are the merits and demerits of cost accounting system.

OR

Q.2b) What are the advantages of standard costing. Explain the preliminaries to establish standard costs.



Q.3a) What are the different types cost classification. Explain in detail.

OR

- Q.3b) What is Cost Audit? Differentiate between Cost Audit and Management Audit.
- Q.4a) From the following information relating to Quick Standard Ltd., you are required to find out
 - i) Contribution
 - ii) Break Even Point in units
 - iii) Margin of safety
 - iv) Profit
 - v) Volume of sales to earn profit of ₹6,000

	₹
Total fixed costs	4,500
Toatal variable costs	7,500
Total sales	15,000
Units sold	5,000 units

OR

- Q.4b) Prepare a production Budget for each month and a summarised Production Cost Budget for the six months period ending 31st December, 2012 from the following data of product 'X'.
 - i) The units to be sold for different months are as follows:

Month	Units sold
July, 2012	1,100
August	1,100
September	1,700
October retalion	1,900
November Someone xim	2,500
December	2,300
January 2013	2,000

- ii) There will be no work in progress at the end of any month.
- iii) Finished units equal to half the sales for the next month will be in stock at the end of each month (including June, 2012)
- iv) Budgeted production and production cost for the year ending 31st December, 2012 are as follows:

Production (units) 22,000
Direct materials (per unit) ₹10
Direct wages (per unit) ₹4

Total factory overheads apportioned to products ₹88,000



Q.5a) From the following data for May 2008 of a factory, calculate: i) Material cost variance ii) Material price variance

iii) Material usage variance iv) Material mixed variance

Materials	Standard		Actual	
Materials	Kgs.	Rate	Kgs.	Rate
V	8,000	1.05	7,500	1.20
V	3,000	2.15	3,300	2.30
7	2,000	3.30	2,400	2.50

OR

Q.5b) A product passes through 3 processes X, Y and Z before its completion. From the past experience, it is known that the wastage (normal loss) is incurred in each process as under X = 2%, Y = 5% and Z = 10% of the units introduced in the process concerned.

Scrap value: X-₹10 for 100 units

Y- ₹15 for 150 units

Z-₹40 for 100 units

Other details are

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Jenis W.	X (₹)	Y (₹)	Z (₹)
Materials	6,000	3,000	1,500
Direct wages	9,000	6,000	4,500
Manufacturing expenses	1,500	1,500	2,200

30,000 units are issued to the process 'X' at a cost of ₹15,000. The output of process X = 29,200 units, Y = 28,200 units and Z = 24,000 units. Show process accounts.