

**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 (units)

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	Budgeted		Actual	
	units	Sales price	Units	Sales price
Z	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.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	
	Kgs.	Rate	Kgs.	Rate
X	8,000	1.05	7,500	1.20
Y	3,000	2.15	3,300	2.30
Z	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

	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.

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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.