

**2017**

**M. Com.**

**4<sup>th</sup> Semester Examination**

**ADVANCED COST ACCOUNTING**

**PAPER – COM –405**

*Full Marks : 50*

*Time : 2 Hours*

*The figures in the right-hand margin indicate full marks.*

*Candidates are required to give their answers in their own words as far as practicable.*

***UNIT – I***

**1. Answer any two of the following questions: 5 X 2**

- (a) Under what circumstances may selling price be reduced to marginal cost or below the marginal cost level.
- (b) Explain the BEP graphically with example.
- (c) Write the reasons for differences in cost profit and financial profit under non integrated system of book keeping.
- (d) Explain the following terms in respect of marginal costing-(i) limiting factor, (ii) shut down point

**2. Answer any one the following questions: 10 X 1**

- (a) (i) Distinguish between marginal costing and absorption costing.  
(ii) Write the non cost factors to be considered in make or buy decision.  
(iii) Write the cost and non cost factors to be considered in shut down decision.

**Turn over**

(2)

(b) From the following particulars relating to Process-I, calculate the equivalent units of production, cost per equivalent units, cost of finished units and Process-I accounts.

Opening WIP 1500 units at Rs 15,000/-. Degree of completion in respect of material 100%, labour and overhead are 33.33%. Inputs 18500 units at Rs 52,000/-. Direct labour Rs 14,000/- , overheads Rs, 28,000/- .

Closing WIP 5000 units. Completed material 90% , labour and overhead 30%. Normal loss 10%, scrap value Rs 2/- per unit and 15000 units transferred to the next process account.

**UNIT-II**

**3. Answer any two of the following questions: 5 X 2**

- (a) Discuss briefly the effectiveness of ZBB.
- (b) Define target costing and the steps in developing the target cost.
- (c) Define budgetary control and write the major steps in budgetary control.
- (d) the monthly budget for manufacturing overhead of a company

were as follows:

Capacity	60 %	100%
Production (units)	600	1000
Wages (Rs)	1200	2000
Consumables (Rs)	900	1500
Maintenance (Rs)	1100	1500
Power and Fuel (Rs)	1600	2000
Depreciation (Rs)	4000	4000
Insurance (Rs)	1000	1000

Prepare a budget for 80% capacity.

**(Turn Over)**

(3)

**4. Answer any one the following questions: 10 X 1**

(a) What do you mean by Performance Budgeting? Discuss the steps and effectiveness of Performance Budgeting. 2+4+4

(b) XYZ Ltd follows standard system and from the following available information , compute the Material price, Material uses, Labour rate and Labour efficiency variance. The actual production is 1500 kg. The standard material and labour cost based on 1000 kg are as under

	Material		Labour		
	QTY (kg)	Rate (Rs/Kg)	Worker	Time (HR)	Rate (Rs/hour)
A	400	4	P	20	10
B	100	5	Q	10	8
C	200	2.50	R	15	12
D	300	6	S	7	20

The actual material and labour used in manufacturing

	Material Consume		Labour Used		
	QTY (kg)	Rate (Rs/Kg)	Worker	Time (HR)	Rate (Rs/hour)
A	550	5	P	20	11
B	200	6	Q	10	9
C	350	2	R	15	11
D	400	5	S	7	18

**(Internal Assessment – 10)**