

2018**M. Com.****4th Semester Examination****Advance Cost Accounting****PAPER – COM – 405***Full Marks : 50**Time : 2 Hours***Use separate sheet for each Unit**

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

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

- a) In a manufacturing process, in the course of manufacture of the product, the by-product P & Q also emerge. The pre-separation expenses amount is Rs. 119550/-. All the three products are processed further and sold in the market. From the following information prepare a statement showing the apportionment of pre-separation cost to the main product and the by-products

Particulars	Main product	By-product	
	X	P	Q
Sales (Rs)	90000	60000	40000
Post separation cost (Rs)	6000	5000	4000
Profit % on sale	25	20	15
Selling and distribution exp.	4000	2000	2000

- b) Briefly explain the significance of Angle of Incidence and P/V ratio in marginal costing.

2+3

(Turn over)

- c) What are the advantages of Cost Control Account?
 d) What are differences between Job Costing and Batch Costing?

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

- a) Product X passes through three process. From the following particulars prepare the process cost account showing Profit Element at each stage. The stock in process valued at prime cost and finished goods valued at the price at which received from process three

Particulars	Process I	Process II	Process III	Finished stock
Op. Stock	5000	8000	10000	20000
Material	40000	12000	15000	-
Labor	35000	40000	35000	-
Overhead	20000	24000	20000	-
Closing Stock	10000	4000	15000	30000
Profit % on price to next process	25	20	10	-
Inter process profit for Op. Stock	-	1395	2690	6534

- b) X Ltd. proposed a production budget for 200000 units. The variable cost is Rs. 15/- and the Fixed Cost is Rs. 2/- per unit. Profit earns 10% over cost. You are required to calculate BEP, P/V ratio. If the Company reduce selling price by 5%, then calculate the effect of such change over BEP and P/V ratio. Again if profit increased by 10% over the budgeted profit, then what should be the desired sells at reduced price?
 2+2+3+3

UNIT – II

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

- a) Briefly explain the Material Price Variance, Material usage Variance and Material Yield Variance.

- b) X Ltd. produces a standard product, the cost per unit are material – Rs. 10/-, Wages – Rs. 8/-, Direct Expenses – Rs. 2/- and variable overhead – Rs. 3/-. Semi variable overhead at 100% capacity (10000 units) are expected to be Rs. 40000/- and this overhead vary in steps of Rs. 2000/- for each change in output of 1000 units. Fixed overhead are estimated at Rs. 50000/- selling price per unit is Rs. 40/-. Prepare a flexible budget at 50% and 70% level of activity.

- c) Define and state the benefits of Activity Based Costing.
 d) Define Budget manual and distinguished between Budgetary Control and Standard Costing.
 2+3

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

- a) (i) Define budget.
 (ii) Classify and briefly explain the different types of Budget.

3+7

- b) In a manufacturing company, Sales Budget reveals annual sales of three products. Product A- 9000 units, Product B- 15000 units & Product C- 14000 units. The closing stock of A – 1000 units and C- 2000 units. The Opening Stock of B – 5000 units and C – 4000 units. The products required more than one labor operation as below

Operation	Product A	Product B	Product C
X	18 minutes	42 minutes	30 minutes
Y	-	12 minutes	24 minutes
Z	9 minutes	6 minutes	-

The hourly rates for operation X- Rs. 5/-, Y- Rs. 7/-, Z- Rs. 8/-. Each operation or worker is paid for 2200 hours in a year, of which 200 hours paid for holidays and break down. Since the number of workers cannot be fraction but only in round figure: some idle time cannot be avoided.

Prepare necessary budget to show direct labor cost of three products, indirect labor cost and total labor cost of each operations.
 10

(Internal Assessment :10 marks)