

Calculate the:

- i) Material Cost Variance.
- ii) Material Price Variance.
- iii) Material Usage Variance.
- iv) Material Mix Variance.
- v) Material Yield Variance.

(Internal Assessment: 10 marks)

Total Pages - 04 (Four)

23/PG/PKC/IVS/COM-405AF

2023

M. Com.
4th Semester Examination
ADVANCED COST ACCOUNTING
PAPER – COM 405AF

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 questions: 2 X 2**
 - a) What do you mean by Overhead Absorption?
 - b) What is Break Even Point?
 - c) What is equivalent production?
 - d) Write the non-cost factors to be considered in make or buy decision in marginal costing.

- 2. Answer any two questions: 2 X 4**
 - a) State the advantages of maintaining the Cost Ledger.
 - b) The Annual Usage of a component is 4000 units. The set-up and order processing cost is Rs 50/-, the unit cost is Rs100/- and the monthly rate of interest is 1%. Calculate the Economic Batch Quantity.
 - c) Distinguish between joint product and by-products.
 - d) Write the reasons for differences in cost profit and financial profit under non-integrated system of cost book keeping.

- 3. Answer any one question: 1 X 8**
 - a) i) From the following information's of a Departmental Store give your advices to the Management, if the management decided to stop the Department A & B.

Particulars	Dept A	Dept B	Dept C	Dept D
Sales(Rs)	5000	8000	6000	7000
Variable Costs(Rs)	5500	6000	2000	2000
Fixed Costs	Rs6500/- to be apportioned in the ratio 1:8:2:2			

ii) What is marginal costing? (5+3)

b) The product of a company passes through three distinct processes. The following information is obtained from the accounts for the month ending June 30, 2021.

Particulars	Process - A	Process - B	Process - C
Direct Material (Rs.)	7800	5940	8886
Direct wages (Rs.)	6000	9000	12000
Production Overheads (Rs.)	6000	9000	12000

3000 units @ Rs.3 each were introduced to Process – A. There was no stock of materials or work-in-progress. The output of each process passes directly to the next process and finally to finished stock account.

The following additional data is obtained:

	Output (Units)	% of Normal Loss to Output	Scrap Value per Unit (Rs.)
Process - A	2850	5%	2
Process - B	2520	10%	4
Process - C	2250	15%	5

Prepare relevant Process Cost Accounts.

UNIT – II

4. Answer any two questions:

2 X 2

- What do you understand by budgetary control?
- What is Activity Based Costing (ABC)?
- What is Target Costing?
- What is Standard Cost?

5. Answer any two questions:

2 X 4

a) The standard material required to manufacture one unit of Product X is 10 kg and the standard price per kg of material is Rs.5. The cost accounts records, however, reveal that 11500 kg of materials costing Rs.59800 were used for manufacturing 1000 units of Product X. Calculate material price variance and material usage variance.

b) From the following particulars, prepare a production budget of AC Ltd. for the year June 30, 2019:

Product	Sales (Units) (as per sales budget)	Estimated Stock (Units) July 1, 2018 June 30, 2019	
A	150000	14000	15000
B	100000	5000	4500
C	70000	8000	8000

c) State the reasons for variance analysis.

d) Distinguish between Budgetary Control and Standard Costing.

6. Answer any one question:

1 X 8

a) Define Performance Budgeting. Explain briefly the steps in performance budgeting. (3+5)

b) The standard material inputs required for 1000 kgs. of a finished product are given below:

Material	Quantity (in kg.)	Standard rate per kg. (in Rs.)
P	450	20
Q	400	40
R	250	60
	1100	
Standard Loss	100	
Standard Output	1000	

Actual production in a period was 20000 kgs. of the finished product for which the actual quantities of material used and the prices paid thereof are as under:

Material	Quantity Used (in kgs.)	Purchase price per kg. (in Rs.)
P	10000	19
Q	8500	42
R	4500	65