

Enrollment No: _____ Exam Seat No: _____

C.U.SHAH UNIVERSITY

Winter Examination-2015

Subject Name: Cost & Management Accounting

Subject Code: 5MC01CMA1

Branch: M.Com (English)

Semester: 1 Date: 30/ 11/ 2015

Time: 10:30 To 1:30

Marks: 70

Instructions:

- (1) Use of Programmable calculator and any other electronic instrument is prohibited.
 - (2) Instructions written on main answer book are strictly to be obeyed.
 - (3) Draw neat diagrams and figures (if necessary) at right places.
 - (4) Assume suitable data if needed.
-

SECTION – I

- Q-1 Attempt the Following questions (07)**
- a. Marginal Costing is also known as----- (01)
 - b. At the level where cost and revenue are in equilibrium is known as----- (01)
 - c. Which restrict the production on profitability of business? (01)
 - d. Write the formula of contribution. (01)
 - e. What is relevant cost? (01)
 - f. How to find margin of safety? (01)
 - g. Write the name of any two pillars of cost management. (01)
- Q-2 Attempt all questions (14)**
- (A) Write the objectives of cost management. (07)
- (B) Write the characteristics of MIS (07)
- OR**
- Q-2 Attempt all questions (14)**
- (A) State the advantages of cost accounting. (07)
- (B) In a company fixed expenses Rs. 1,80,000, selling price per unit Rs.10, variable expenses per unit Rs. 6 (07)
- Find out :
- 1) Contribution
 - 2) BEP (units)
 - 3) BEP (Rs.)
 - 4) P.V Ratio
 - 5) Sales to earn profit of Rs. 60,000
 - 6) Profit at a sales of Rs.10,00,000
- Q-3 Attempt all questions (14)**
- (A) The following are the details of 'A' ltd. (07)



| Year | Sales | Profit/Loss |
|------|-----------|-------------|
| 2014 | 10,00,000 | -1,50,000 |
| 2015 | 20,00,000 | 1,50,000 |

Calculate :

- 1) P.V Ratio
- 2) Fixed cost
- 3) Breakeven sales

(B) Write a note on : Relevant Cost

(07)

OR

Q-3 (A) A product is obtained after passing it through three process. The following information is collected in the month of January.

(14)

| Particular | Process-1 | Process-2 |
|----------------------|-----------|-----------|
| Direct material | 5,200 | 3,960 |
| Direct wages | 4,000 | 6,000 |
| Output in units | 950 | 840 |
| Normal loss | 5% | 10% |
| Scrap value per unit | Rs. 4 | Rs.8 |

Additional Information:

1,000 unit @ Rs. 6 each was introduced in process-1. There was no stock of material or work in progress at the beginning or at the end of that month. The production overhead in January was Rs. 18,000 distributed in wages ratio.

Prepare the process account indicating the normal loss.

SECTION – II

Q-4 Attempt the Following questions

(07)

- a. How many centres of responsibility are there for measuring responsibility accounting? (01)
- b. Cost centre is also known as ----- (01)
- c. Which centre is decided for maintenance of business assets and income? (01)
- d. Write the full form of ABC (01)
- e. What is the meaning of key factor? (01)
- f. Give the full form of ROI and RI under the Responsibility Accounting System? (01)
- g. Write the name of any two main elements of process cost. (01)

Q-5 (A) Attempt all questions

(14)

| Particular | Amount |
|-------------------|--------|
| Direct Material | 50 |
| Direct Labour | 20 |
| Variable Overhead | 20 |
| Fixed Overhead | 10 |

(07)



| | |
|-----------------------------------|-----|
| Variable Expenses | 05 |
| Selling Expenses (10% fixed) | 10 |
| Distribution Expenses (20% fixed) | 05 |
| Administrative Expenses (50,000) | 05 |
| Total cost | 125 |

Above is the budget for 10, 0000 units prepare flexible budget for 7,000.

(B) Write the advantages of cash budget. (07)

OR

Q-5 (A) Discuss responsibility centres. (07)

(B) Write the different types of reports. (07)

Q-6 **Attempt all questions** (14)

(A) Write a note on: Activity Based Costing. (07)

(B) Discuss the advantages of ABC standard costing. (07)

OR

Q-6 **Attempt all Questions**

(A) Explain: Zero based budgeting. (07)

(B) Explain: Target costing. (07)

