

C.U.SHAH UNIVERSITY

Summer Examination-2018

Subject Name: Cost and Management Accounting

Subject Code: 5MS02CMA1

Branch: MBA

Semester: 2

Date: 25/04/2018

Time: 10:30 To 01:30

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. | What is the full name of EOQ | 1 |
| b. | Explain the meaning of time wage system? | 1 |
| c. | Give any two examples of indirect expenses | 1 |
| d. | State the meaning of abnormal loss | 1 |
| e. | State the meaning of cost accounting | 1 |
| f. | Name one industry working under batch costing | 1 |
| g. | State the meaning of joint product | 1 |

Q-2 Attempt all questions (14)

- | | | |
|---|---|---|
| a | State advantages & limitations of cost accounting | 7 |
| b | Explain various methods of costing | 7 |

OR

Q-2 Attempt all questions (14)

- | | | |
|---|---|---|
| a | What is idle time? state its causes | 7 |
| b | From below information calculate labour turnover rate by all three methods. | 7 |

Number of employees on Dt. 1/4/2017	2000
Number of employees resigned during the year	150
Number of employees retrenched during the year	175
Number of employees joined during the year due to expansion	100
Number of employees joined during the year in place of those resigned and retrenched	275



Number of employees on Dt. 31/3/2018	(?)
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- Q-3** **Attempt all questions** (14)
- a** Prepare process account from the below information considering equivalent unit method. 7
- 6000 units introduced @ 20 each, direct wages Rs.80000, overhead Rs.60000 at the end of the year. 4000 units were totally completed and transferred to next process, remaining units were in work in progress completed 100% as regards material, 60% as regards labour & 40% as regards overheads.
- b** The following details are for job no. 101 : 7
- Material introduced in job Rs. 60000
Direct wages Rs. 80000
Factory overheads : 75% of direct wages
Administrative overheads : 40% of factory cost
Scrap of material realized Rs.3000
Find out tender price of job no.101 to earn 20% profit on selling price

OR

- Q-3 a** The following data is available. 7

Service department	Amount
X	30000
Y	6000
Total	36000

The allocation base :

	Production cost centre A	Production cost centre B	Service centre X	Service centre Y
X	60%	35%	-	5%
Y	10%	40%	50%	-

- b** Apportion the service cost centre costs based on simultaneous equation method 7
- Explain classification of cost based on function & variability

SECTION – II

- Q-4** **Attempt the Following questions** (07)
- a.** Name any two types of variance? 1
- b.** State the formula of margin of safety? 1
- c.** Name any two types of budget 1
- d.** provide any two formulas of PV ratio 1
- e.** Name any two industries where service costing method is used 1
- f.** Name any two decision which can be taken based on marginal costing 1
- g.** composite cost unit- Explain with example 1

- Q-5** **Attempt all questions** (14)
- a** Standard material requirement for manufacturing 100 kg. Chemical X is given below. 7
- 45 kg of material A @ Rs. 2 per kg.
40 kg of material B @ Rs. 4 per kg.
- 25 kg of material C @ Rs. 6 per kg



The standard loss is 10 kg.

During the week 2000 kg. Of chemical X were produced and the actual usage of material were as follows.

Material A 1000 kg. @ Rs. 1.90 per kg.

Material B 850 kg. @ Rs. 4.20 per kg.

Material C 450 kg. @ Rs. 6.50 per kg.

Calculate all material variances

b From the below information find out BEP sales 7

Year	Sales	Profit
2016	200000	20000
2017	300000	40000

OR 7

Q-5 a Discuss various steps in decision making process 7

b State advantages & limitations of standard costing

Q-6 Attempt all questions (14)

a Explain various applications of decision making concepts 7

b Explain flexible budget with imaginary figures 7

OR

Q-6 Attempt all Questions

a Find out cash received towards cash sale & credit sale for the month of April, May & June from below information.(Working note is required) 7

1. Month wise Sales

Month	Sales
Feb.	210000
March	320000
April	430000
May	320000
June	230000
July	210000

2. Among total sales 30% is cash sale. Out of credit sales 50% received in next month 25% in second next month,15% in the third next month & balance is not recoverable .

b Find out selling rate of tea per cup if subsidy provided per cup of tea is Rs.1.50 from below information. 7

Total cup of tea consumed during a month is 1500

Opening stock :	Closing stock :
Tea 2 kg	Tea 3 kg



Sugar 10 kg.	Sugar 12 kg.
Milk 5 ltr.	Milk 3 ltr.

Purchase during the month:

Tea 10 kg @ 420 per kg
Sugar 40 kg. @ 40 per kg.
Milk 100 ltr. @ 32 per ltr.

Other expense during the month Rs. 2500.

