

# C.U. SHAH UNIVERSITY

## Winter Examination-2018

Subject Name: Cost and Management Accounting

Subject Code: 5MS02CMA1

Branch: MBA

Semester: 2

Date: 23/10/2018

Time: 02:30 To 05:30

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.
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### SECTION – I

- Q-1 Attempt the Following questions (07)**
- a. State the meaning of cost accounting 1
  - b. State the costing method used in pharma industry 1
  - c. What is cost unit? 1
  - d. State the meaning of by product 1
  - e. What is the meaning of semi-finished goods? 1
  - f. Define piece rate wage system 1
  - g. State the meaning of defective 1
- Q-2 Attempt all questions (14)**
- a Explain in brief the role of financial accounting, cost accounting and management accounting 7
  - b Explain different methods of costing in brief 7
- OR**
- Q-2 Attempt all questions (14)**
- a Give the specimen of cost sheet with imaginary figures 7
  - b Give one example each of direct and indirect - material, labour and expense 7
- Q-3 Attempt all questions (14)**
- a State the causes of idle time and overtime 7
  
  - b The following details are for job no. 99: 7  
Material Consumed Rs. 60,000  
Direct wages Rs. 50,000  
Factory Overhead 60% of direct wages  
Administrative overhead 40% of works cost  
Find tender price of job no.99 to earn 20% profit on cost price.



**OR**

- Q-3 a** Give the formulas of three methods of labour turnover rate 7  
**b** Prepare necessary process accounts and abnormal gain and loss accounts from below information 7

Particulars	Process A	Process B
Material brought	10,000 units @ Rs.50 per unit	-
Productive Wages	Rs.1,00,000	Rs.1,60,000
Works Overhead	Rs. 50,000	Rs. 90,000
Normal scrap	5% of units brought	400 units
Sale of normal scrap	Rs.30 per unit	Rs.80
Transfer to next process/Finished goods	9300 units	8950 units

**SECTION – II**

- Q-4 Attempt the Following questions** (07)

- a. State the full name of PV Ratio 1
- b. What do (F) & (U) suggest in variance? 1
- c. State the meaning of budgeting 1
- d. Name any two overhead variance 1
- e. Name any two industries where operating costing method is used 1
- f. State the formula of BEP 1
- g. State the meaning of zero base budgeting 1

- Q-5 Attempt all questions** (14)

- a State the utility of standard costing 7
- b State the features of budget 7

**OR**

- Q-5 a** State the factors influencing pricing decisions 7  
**b** Discuss various steps in decision making process 7

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

- a From the following details find profit at actual sales. 7  
Actual sales Rs. 20,000  
BEP Sales Rs. 10,000  
Fixed Cost Rs. 5,000
- b X co. presently working manufactures 10000 units. Prepare flexible budget for 8000 and 12000 units. 7

Particulars	Amount per unit
Direct material	5
Direct wages	10
Factory overheads(80% variable)	12
Administrative overheads(90% Fixed)	3



Selling overheads(70% variable)	15
Sales	50

**OR**

**Q-6**

**Attempt all Questions**

- a** Explain different labour variances in brief with formulas **7**
- b** Total fixed expense of the month & total variable expense of the month of one goods transport company was respectively Rs.2, 00,000 & Rs. 3, 00, 000. The truck's capacity was 10 Ton. During the month the truck travelled 12,000 miles. The truck was carried with 80% of the capacity on an average. Find cost of truck per mile and per ton-mile. **7**

