Program:	M.Com - I	**Semester:**	I	**Program Code:**	PGCOM01
Course:	Advanced Cost and Management Accounting			**Course Code:**	9311
Duration:	1 Hour	**Examination Pattern:**	NEP-Autonomous - External	**Max. Marks:**	50

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. CO (Course Outcome), KL (Knowledge Level).

Examination:

REGULAR

Q. 1		**Attempt either (A) or (B)**	[14]	CO's	KL's
	(A)	A gang of workers usually consists of 10 skilled, 5 semi – skilled and 5 unskilled labour in a factory. They are paid at standard hourly rates of ₹5.00, ₹3.20 and ₹2.80 respectively. In a normal working week of 40 hours, the gang is expected to produce 1,000 units of output. In a certain week, the gang consisted of 13 skilled, 4 semi – skilled and 3 unskilled labour. Actual wages were paid at the rates of ₹4.80, ₹3.40 and ₹2.60 respectively. Two hours were lost due to abnormal idle time and 960 units of output were produced. **Calculate:** (i) Labour Cost Variance (LCV) (ii) Labour Rate Variance (LRV) (iii) Labour Efficiency Variance (LEV) (iv) Labour Mix Variance (LMV) (v) Labour Yield Variance (LYV)		CO4	L3
		(OR)			
	(B)	The standard material cost for 100 kg of Chemical D is made up of: Chemical A = 30 kg@ ₹4 per kg Chemical B = 40 kg@ ₹5 per kg Chemical C= 80 kg@ ₹6 per kg A batch of 500 kg of Chemical D was produced from a mix of: Chemical A = 140 kg at a cost of ₹588 Chemical B = 220 kg at a cost of ₹1056 Chemical C= 440 kg at a cost of ₹2860 How do the yield, mix and the price factors contribute to the variance in the actual cost per 100 kg of Chemical D over the standard cost?		CO4	L3
Q. 2		**Attempt either (A) or (B)**	**[12]**	**CO's**	**KL's**
	(A)	The expenses budgeted for production of 10,000 units in a factory are furnished as follows:		CO5	L3

	Per Unit ₹
Materials	70

6 2 1 3 3 3

		Labor — 25 Variable Overheads — 20 Fixed Overheads (₹1,00,000) — 10 Variable Expenses (Direct) — 5 Selling Expenses (10% Fixed) — 13 Distribution Expenses (20% Fixed) — 7 Administrative Expenses (₹ 50,000) (100% Fixed) — 5 **Total — 155** Prepare a budget for production of: 6000 units, 8000 units and 10,000 units showing variable cost, fixed cost in amount and cost per unit at each level of production.			
		OR			
	(B)	JAB company making for a stock in the first quarter of the year is assisted by its bankers with overdraft accommodation. The following are the relevant budget figures: Months / Sales ₹ / Purchases ₹ / Wages ₹ November / 1,20,000 / 83,000 / 9,800 December / 128,000 / 96,000 / 10,000 January / 72,000 / 1,62,000 / 8,000 February / 1,16,000 / 1,64,000 / 4,000 March / 84,000 / 1,79,000 / 10,400 Budgeted cash at Bank, 1st January 2025 = ₹17,200. Credit terms of sales on payment by the end of the month following the month of supply. On an average, one – half of sales are paid on the due date while the other half are paid during the next month. Creditors are paid during the month following the month of supply. You are required to prepare a cash budget for the quarter, 1st January – 31st March 2025 showing the budgeted amount of bank facilities required at each month.		**CO5**	**L3**
Q. 3		**Attempt either (A) or (B)**	**[12]**	**CO's**	**KL's**
	(A)	Mr. Sanjay owns a fleet of taxi, and the following information is available from the records maintained by him. Number of taxis — 10 Cost of each taxi — ₹54,600 Salary to manager — ₹700 p.m. Salary to accountant — ₹500 p.m. Salary to cleaner — ₹200 p.m. Salary to mechanic — ₹400 p.m.		**CO6**	**L3**

		Garage rent ₹600 p.m. Annual tax ₹900 per tax Driver's salary ₹350 per taxi Annual repairs ₹1,000 per taxi Insurance premium 5% p.a. Total life of a taxi is about 2,00,000 kms. A taxi runs 3,000 kms in a month and 30% of this distance is run without any passengers. Petrol consumption is one litre for every 10 kms @ ₹4.41 per litre. Oil and sundry expenses are ₹10.50 per 100 kms. Calculate the cost of running a taxi per effective km.			
		OR			
	(B)	An entrepreneur owns a bus which runs from Mumbai to Pune and back for 25 days in a month. The distance from Mumbai to Pune is 170 kms. The bus completes the trip from Mumbai to Pune and back on the same day. Calculate the fare to be charged to passengers if a profit $33^{1/3}$ % on cost is expected. The following further information is available:		**CO6**	**L3**
		Particulars / ₹ Cost of bus 3,00,000 Salary to driver 1050 p.m. Salary to conductor 700 p.m. Fixed office overheads 480 Insurance p.a. 6720 Diesel consumption 16 kms. Per litre costing 25 per litre Local taxes p.a. 1200 Oil and lubricants per 100 kms. 20 Repairs and maintenance p.a. 1000 License fees p.a. 2840 Normal seating capacity 50 passengers Depreciate rate 20% p.a. The bus usually runs full up to 90% of its capacity both ways. Permit fee is payable on the cost of bus at 10% p.a.			
Q. 4		**Attempt either (A) or (B)**	**(12)**		
	(A)	X Ltd. produces and sales a single article at ₹10 each. The marginal cost of production is ₹6 each and fixed cost is ₹400 per annum. Calculate: 1. P/V Ratio 2. The break-even sales (in ₹ and nos.) 3. The sales to earn a profit of ₹500		**CO3**	**L3**

		4. Profit at sales of ₹3000. 5. New break-even point if sales price is reduced by 10% 6. Margin of safety at sales of ₹1,500 and 7. Selling price per unit if the break-even point is reduced to 80 units.			
		OR			
	(B)	The following is the cost structure of a product. Selling price ₹100 per unit. **Variable cost per unit** Material - ₹38 Labour - ₹14 Direct expenses - ₹8 **Fixed overheads for the year** Factory overheads - ₹2,80,000 Office overheads - ₹2,20,000 No. of units produced and sold – 40,000 units **Calculate:** 1. P/V ratio 2. Break – even point in units 3. Margin of safety amount 4. Break – even point if fixed overheads increased by 20% 5. Revised P/V ratio when selling price increased by 20%		**CO3**	**L3**

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