T.Y.BAF (V) Cost Accounting (IV) / 2

Q. P. Code: 39961

Time: 2 hours **Marks: 60**

Please check whether you have got the right question paper.

N.B:

1. Question no 1 and 2 are compulsory
2. Attempt any one from question number 3 or 4
3. Attempt any one from question number 5 or 6
3. Figures to the right indicate full marks.
4. Use simple calculator.

Q.1 From the following particulars you are required to calculate: (15)

i) Profit Volume Ratio.

ii) Break-even Point.

iii) Profit when sale is Rs 2, 00,000

iv) Sales required earning a profit of Rs 40,000

v) Margin of safety in the 2nd year.

Year	Sales (Rs)	Profit (Rs)
I	2, 40,000	18,000
II	2, 80,000	26,000

Q.2 A) State whether the statements are True or False (Rewrite the sentence) (05)

1. Profit is Equal to contribution
2. Idle time variance is always favourable
3. Marginal cost is fixed cost
4. Flexible budget is drawn for one level of activity
5. Sales budget are prepared by Production manager

B) Multiple choice question (Rewrite the sentence) (05)

1) Which is not a fixed cost?
   (a) Property tax (c) Insurance premium
   (b) Power (d) Rent

2) When fixed costs increases, the breakeven point
   (a) Increases (c) No effect
   (b) Decreases (d) Can't say

3) The standard which can be attained under the most favorable conditions possible
   (a) Ideal Standard (c) Current Standard
   (b)Expected Standard (d) Normal Standard

4) While evaluating deviations of actual cost from standard cost, the technique used is
   (a) Regression analysis (c) Linear progression
   (b) Variance analysis (d) Trend analysis

5) The classification of fixed and variable cost has a special significance in the preparation of
   (a) Flexible budget (c) Capital budget
   (b) Cash budget (d) Zero-based budget

C) Match the Column (05)

Column A	Column B
1) Sales Budget	a) X- Axis and Y-Axis
2) Break Even chart	b) Drawn for One Level
3) Fixed Budget	c) Selection of the Best Alternatives
4) Decision Making	d) Equal to Marginal Cost
5) Minimum Price	e) Functional Budget

Q.3 Ram Ltd. produces three products - A, Band C, from the same manufacturing facilities. The cost and other details of the three products are as follows: (15)

Particulars		A	B	C
Selling price / Per unit (Rs)		200	160	100
Variable cost/Per unit (Rs)		120	120	40
Fixed expenses/month (Rs)	2,76,000			
Maximum production per month (units)		5,000	8,000	6,000
Total hours production per month (hours)	200			
Maximum demand per month (units)		2,000	4,000	2,400

The processing hours cannot be increased beyond 200 hours per month. You are required to

(1) Compute the most profitable product-mix.

(2) Profit from the above product Mix

OR

Q.4 For production of 5000 electrical tubes the following are budgeted expenses : (15)

Particulars	Per Unit Rs.
Direct Material	60.00
Direct Labour	30.00
Direct Expenses	10.00
Variable Overheads	25.00
Fixed Overheads (Rs. 1, 50,000)	30.00
Selling Expenses (10% Fixed)	30.00
Administrative Expenses (Rs. 20,000 Fixed)	10.00
Distribution Expenses (20% Fixed)	10.00
Total Cost of Sales	205.00

Prepare a budget for production of 4,000 and 6,000 units of electrical tubes.

Q.5 From the following information about sales calculate: (15)

(a) Sales Value Variance
(b) Sales Price Variance
(c) Sales Volume Variance
(d) Sales Mix Variance
(e) Sales Quantity Variance

Product	Standard Units	Standard Rate Per Unit Rs	Actual Units	Actual Rate Per Unit Rs
X	15,000	6	20,000	5.50
Y	16,000	7	15,000	8.50
Z	9,000	8	15,000	10.00

OR

Q.6 Write a short Note on **(Any Three)** (15)

a. Adverse and Favorable Variance
b. Fixed Budget
c. Advantage of Budgeting
d. Margin of Safety
e. Master Budget

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