Nov-15

M.com - I   I Sem

Cost

QP Code : 21135

(2 Hours)   [**Total Marks : 60**

N. B. : (1) **All** questions are **compulsory.**
(2) Each question has an internal option.
(3) **Figures** to the **right** indicate **full** marks allotted to the question.
(4) Working notes should form part of the answer.

1. The sales budget of JK Ltd. for the year ended 31st December, 2015 revealed the following information of the two products viz. J and K. **15**

Product	**Units**	**Selling price per unit (₹)**
J	10,000	135
K	6,000	145

Both products use the same raw materials and skilled labour but in different quantities per unit.

	J	K
Material X	10 kgs	6 kgs
Material Y	4 kgs	8 kgs
Skilled labour	6 hours	4 hours

The prices expected during 2016 for the raw materials are :

Material X	₹ 1.50 per kg
Material Y	₹ 4.00 per kg

The skilled labour rate is expected to be ₹ 6.00 per hour.

Stocks of raw materials and finished goods on 1st January, 2016 are expected to be :

Material X	400 kgs @ ₹ 1.20 per kg
Material Y	200 kgs @ ₹ 3.00 per kg
J	600 units @ ₹ 70.00 each
K	800 units @ ₹ 60.00 each

All stocks are to be reduced by 15% from their opening levels by the end of 2016 and are valued using the FIFO method.

The company uses aborption costing and production overhead costs are expected to be :

Variable	₹ 2.00 per skilled labour hour
Fixed	₹ 3,15,900 per annum

[TURN OVER

You are required to prepare for the year ended 31st December, 2016 J K Ltd.'s

(a) Production budget (in units)

(b) Raw material Purchase Budget (in unit & ₹)

(c) Production Cost Budget.

OR

1. ABC manufacturing company produces 30,000 units by utilising its 75% capacity and supplies you the following cost information : 15

Cost information at 75% capacity utilisation

(for 30,000 units)

Particulars	₹
Direct Materials	30,00,000
Direct Labour	24,00,000
Direct Expenses	12,00,000
Factory Overheads	18,00,000
Office Overheads	12,00,000
Selling Overheads	6,00,000

Additional information :–

(1) Direct material, direct labour and direct expenses are variable cost.

(2) Factory overheads per unit increases by 10% if capacity utilisation goes down below 75% and decreases by 15% if capacity utilisation goes above 75%.

(3) Office overheads are fixed overheads.

(4) Selling overheads per unit increases by 20% , if capacity utilisation goes down below 75% and decreases by 25%, if capacity utilisation goes up above 75%.

(5) It is the policy of the company to charge profit at 20% on selling price.

You are required to prepare a flexible budget at 50%, 75% & 100% capacity utilisation.

2. The labour budget of a company for a week is as follows : 15

- 20 skilled men @ ₹ 50 per hour for 40 hours
- 40 unskilled women @ ₹ 30 per hour for 40 hours

[TURN OVER

The actual labour force used was as follows :

- 30 skilled men for 40 hours, total wages paid ₹ 60,000
- 30 unskilled women for 40 hours, total wages paid ₹ 42,000

Calculate :
(a) Labour Cost Variance
(b) Labour Rate Variance
(c) Labour Efficiency Variance
(d) Labour Mix Variance
(e) Labour Yield Variance

OR

2. AB Ltd. has established the following standard mix for producing 9 gallons of product A : 15

	₹
5 gallons of material X at ₹ 7 per gallon	35
3 gallons of material Y at ₹ 5 per gallon	15
2 gallons of material Z at ₹ 2 per gallon	4
	54

A standard loss of 10% of input is expected to occur. Actual input was as under :
53,000 gallons of material X at ₹ 7 per gallon
28,000 gallons of material Y at ₹ 5.30 per gallon
19,000 gallons of material Z at ₹ 2.20 per gallon
Actual output for a period was 92,700 gallons of product A.
Compute all possible material variances.

3. During the month of April 2015, 4,000 units were introduced into process 'A'. There was no opening stock on 1st April 2015. The cost of 4,000 units was ₹ 23,200. At the end of the month 3,000 units had been produced & transferred to process 'B', 720 units were still in process and 280 units were scrapped. A normal wastage of 5% on input is allowed. It was estimated 15

[TURN OVER

that incomplete units have reached a stage in production as follows:
Material : 75% complete, Labour : 50% complete,
Production Overheads : 50% complete.
The cost incurred in addition to that on 4,000 units introduced were :
Direct material : ₹ 6,160. Direct Wages ₹ 13,760.
Production overheads : ₹ 6,880.
Units scrapped realised ₹ 2 each were 100% complete as regards material, labour & overheads. Prepare the following using Average Method

(1) Statement of Equivalent Production
(2) Statement of cost per unit of Equivalent Production
(3) Statement of Evaluation
(4) Process 'A' Account

OR

3. Following informationis available regarding process 'P' for the month of December, 2014. 15

Production record

Units in process on 30th November 2014 (material 100% complete, labour 50% complete, overheads 50% complete)	10,000
New units started in process during the month Dec. 2014	20,000
	30,000

Production reports shows the following results:

Units completed	25,000
Units in Process on 31st December 2014 (material 100% complete, labour 80% complete, overheads 80% complete)	5,000
Loss in process	Nil
	30,000

Cost Record

	₹
Work-in-progress as on 1st December, 2014	
Material	3,600
Labour	5,000
Overheads	2,800
Cost for December 2014	
Material	7,200
Labour	16,000
Overheads	15,200

[TURN OVER

Company follows FIFO Method.

prepare: (a) Statement of equivalent production.

(b) Statement of cost for each element.

(c) Statement of apportionment of cost.

(d) Process A Account.

4\. (a) State whether the following statements are **true** or **false** :– 8

(1) Normal loss is avoidable.

(2) Capital expenditure budget is prepared for fixed assets to be acquired.

(3) Cost auditor is appointed by the shareholders.

(4) Material yield variance arises due to change in government policies.

(5) Production budget is prepared only in quantity.

(6) Cement companies follow process costing.

(7) Idle time variance is caused due to change in efficiency.

(8) Budget defines the responsibility of a concerned manager.

(b) Select the most appropriate alternative and rewrite the complete sentence :– 7

(1) The type of wastage that should not affect the cost of closing stock __________.

- Seasonal wastage
- Normal wastage
- Standard wastage
- None of the above

(2) Budgetary control system is costly for ________.

- Large organisation
- Small organisation
- Public sector organisation
- None of the above.

(3) Performance of any organisation depends on ________.

- Political factors
- Social factors
- Critical factors
- None of the above

[TURN OVER

(4) Fixed overheads calendar variance arises due to ________.
- Change in the number of working days
- Change in the labour hours
- Change in input
- Change in output

(5) Appointment of cost Auditor is subject to the approval of the ________.
- Central government
- State government
- High Court
- ICWAI

(6) The company has to make available all cost records to cost auditor within ________ days from the end of financial year.
- 80
- 90
- 180
- 135

(7) Material cost variance is equal to ________.
- MPV + MUV
- MYV + MPV
- MUV + MYV
- None of the above

OR

4. Write short notes on (any three) :– 15
   (a) Cost audit procedure
   (b) Standard cost card
   (c) Cost audit programme
   (d) Zero based budgeting
   (e) Plant utilisation budget

MCom -I Sem-I

Eco

QP Code : **21108**

(2 Hours) **[Total Marks : 60**

N.B. : (1) **All** questions are **compulsory.**

(2) **Figures** to the **right** indicate **full** marks.

1. (A) Discuss the various effects of tariffs. 14

OR

(B) (i) Explain the effects of non-tariff barriers on developing countries. 7

(ii) Write a note on commodity agreements. 7

2. (A) (i) Discuss the various forms of economic integration. 7

(ii) What are benefits and achievements of APEC? 7

OR

(B) (i) Explain the advantages and disadvantages of regionalism. 7

(ii) What are the benefits and achievements of the European Union? 7

3. (A) (i) Explain the process of the dispute settlement mechanism of WTO. 7

(ii) Examine the various aspects of the Agreement on Agriculture (A o A). 7

OR

(B) (i) Discuss the contentious issues of W.T.O. 7

(ii) Examine the environmental issues of trade. 7

4. Write explanatory notes on any **two** of the following:

a) Cartels 9

b) Achievements of SAARC 9

c) Recent trends in global trade 9

[TURN OVER

Nov - 15

Mcom Sem -I

SM

QP Code : **21106**

[Revised Course]

(2 Hours) **[Total Marks : 60**

N.B. : (1) **All questions are compulsory**
(2) **Figures** to the **right** indicate **full** marks.

1. Answer **any two** of the following : 15
   (a) Explain the benefits of strategic Management.
   (b) Elucidate the Marketing strategy of an organisation
   (c) Comment on Techniques of Environmental Scanning.

2. Answer **any two** of the following : 15
   (a) Explain the essentials of Turnaround strategy.
   (b) Elaborate the TOWS Matrix
   (c) Describe the features of Business ethics.

3. Answer **any two** of the following : 15
   (a) Explain the barriers of Management Information System (MIS)
   (b) Describe the Business Reengineering strategies.
   (c) Explain the Emerging strategies in Telecommunication sector.

4. Give Explanatory note on (any **two**) 15
   (a) Risks in strategic Management.
   (b) Strategic Evaluation and Control.
   (c) Knowledge creating company strategies.

[TURN OVER]

QP Code : **21116**

(2 Hours) [Total Marks : 60

N.B. : (1) Attempt all the questions.
(2) **Figures** to the **right** indicate **full** marks.
(3) Give working notes wherever necessary.

1. The following is Trial Balance of KLM Bank Ltd. as on 31st March, 2015: **15**

Particulars	Debit ₹	Credit ₹
Share Capital	--	5,00,000
Statutory Reserves	--	2,50,000
Loans, Cash Credit and Overdrafts	2,50,000	
Land and Building	5,00,000	--
Government Securities	4,50,000	--
Fixed deposits	--	1,75,000
Saving deposits	--	3,25,000
Current accounts	--	5,00,000
Salaries	1,20,000	--
General Expenses	45,000	--
Rent and Taxes	25,000	--
Directors fees	60,000	--
Profit and Loss account	--	1,20,000
Interest and Discount received	--	1,50,000
Stock of Stationery	10,000	--
Bills Purchased and Discounted	2,50,000	--
Investments	1,50,000	--
Cash with Reserve Bank of India	60,000	--
Money at call and Short notice	40,000	--
Interest paid	60,000	--
Total	**20,20,000**	**20,20,000**

Additional information:
(a) Provide rebate on Bills discounted ₹ 2,000
(b) Provide ₹3,000 for doubtful debts
(c) Provide ₹6,000 for tax
(d) Authorized capital is 1,20,000 shares of ₹10 each

You are required to prepare Profit and Loss Account for the year ended 31st March, 2015 and Balance Sheet as on that date

OR

[TURN OVER]

QP Code : 21116

1. ...ial Balance of Sajan Bank Ltd As ... 31st March 2015: 15

	Dr. (Rs. Lakhs)	Cr. (Rs. Lakhs)
		20.00
		32.00
		80.00
		120.00
		440.00
... short notice	1.00	
... nd purchased	18.00	
... Government	200.00	
... rities	8.00	
	18.00	
		20.00
... nging	200.00	
	10.00	
... ises		160.00
... on premises	68.00	
	1.00	
		0.48
... nd		1.00
... unt	200.00	
... es	115.88	
	4.00	
	2.20	
... of Tax	5.20	
... ment	1.40	
... ets		5.00
... Banks		40.00
... ount (profit for the year 31-3-2014)		8.20
... on fund		12.00
	938.68	938.68

... ls for collection for its constituents ... and acceptances ... e was a claim of Rs 4,00,000 against the bank but not acknowledged ... bilities for bills discounted was Rs 54,000. Liabilities for forward ... t was Rs 40,00,000. The Directors decided to transfer 20% to

statutory reserves and reserve Rs. 4,000 for unexpired discounts.
Prepare Balance sheet as at 31" March,2015.

2. The Balance Sheets P Ltd. and Q Ltd. as on 31" March, 2015 were as under: 15

Liabilities	P Ltd.₹	QLtd.₹	Assets	P Ltd.₹	QLtd.₹
Share Capital (Shares of ₹ 5 each)	2,00,000	50,000	Land and Building	75,000	---
General reserves	30,000	10,000	Plant and Machinery	2,00,000	--
Profit and Loss Account.	40,000	20,000	Stock	40,000	85,000
Profit for the current year	50,000	25,000	Debtors	10,000	30,000
Creditors	50,000	45,000	Bills Receivable	--	25,000
Bills Payable	30,000	--	Investments: 6,000 shares of Q Ltd. at cost	65,000	
			Bank balance	10,000	10,000
Total	4,00,000	1,50 000	Total	4,00,000	1,50,000

Additional information:

(a) Shares were acquired by P Ltd. on 1st October, 2014

(b) Included in Debtors of Q Ltd. is ₹ 10,000 due from P Ltd.

(c) Bills Receivable held by Q Ltd. are all accepted by P Ltd.

(d) The stock of Q Ltd. includes goods purchased from P Ltd. at ₹ 5,000 which are at profit margin of 25% on cost.

Prepare Consolidated Balance Sheet as on 31st March, 2015

OR

2. The summarised balance sheet of A Ltd and B Ltd As on 31 -12 -2014 were as follows: 15

Liabilities	A Ltd.₹	BLtd .₹	Assets	A Ltd₹	B.Ltd ₹
Equity Share Capital (Rs. 10 each)	10,00,000	4,00,000	Plant	4,00,000	1,80,000
			Furniture	2,00,000	90,000
			Investment in 32,000 shares of B Ltd.	8,00,000	
Profit and Loss A/c	6,00,000	4,00,000	Other Assets	8,00,000	7,30,000
Liabilities	6,00,000	2,00,000			
	22,00,000	10,00,000		22,00,000	10,00,000

You are required to prepare consolidated balance sheet taking into account the following information:

1. Profit and loss account of B. Ltd. Showed a balance of Rs.2,40,000 (Cr.) as on 1-1-2014
2. A Ltd, acquired shares in B Ltd on 1-07-2014.
3. Plant of A Ltd. was valued at Rs. 6, 00,000 and Plant of B Ltd. (Book value on 1-1-2014 Rs. 2, 00,000) was revalued at Rs.3, 00,000. However, no entries were passed for this purpose.
4. B Ltd. incurred a major expenditure of Rs.20, 000 on repair of furniture at the beginning of the year but wrongly charged the amount to profit and loss account. Note: Ignore depreciation on furniture of B Ltd. and A Ltd.

3. PQR Ltd. has a Branch in Canada. The Trial balance of branch as on 31st December, 2014 is as follows: 15

Particulars	Debit US $	Credit US $
Head office account .	----	900
Sales .	----	8,100
Goods from Head office	4,500	----
Opening Stock	750	----
Furniture and Fixtures	1,000	----
Cash in hand	105	----
Cash at bank	95	----
Owing expenses	----	100
Salaries	1,300	----
Taxes and Insurance	25	----
Rent	100	----
Sundry Debtors	1,225	----
Total	**9,100**	**9,100**

The Branch account in the books of Head Office showed a debit balance of ₹ 12,500 and Goods sent to Branch account a credit balance of ₹ 60,000. Furniture and Fixture are purchased on 1-1-2013 when 1$ = ₹ 20. Provide depreciation @ 10% p.a.

The rates of exchange were:

Opening rate 1 $ = ₹ 17.50

Closing rate 1$ = ₹18.50

Average rate 1 $=₹ 18

Prepare Trading, Profit and Loss Account and Balance Sheet as on 31st December, 2014 of Canada Branch in the books of PQR Ltd.

OR

3. Jerry Ltd. had a Branch at New York. Its Trial Balance as on 31st March, 2015 is as follows : 15

Particulars	Debit US $	Credit US $
Cash in hand	400	-
Cash at Bank	2,000	-
Creditors	-	6,800
Debtors	9,600	-
Head office account	-	45,600
Trade expenses	400	-
Insurance	400	-
Rent, Rates and Taxes	800	-
Salaries	2,400	-
Carriage Inward	400	-
Wages	800	-
Goods from HO	32,000	-
Sales	-	1,66,400
Purchases	96,000	-
Stock on 01-04-2014	22,400	-
Plant	48,000	-
Furniture	3,200	-
Total	**2,18,800**	**2,18,800**

Adjustment :

(1) Stock on 31st March, 2015 $ 20,800.

(2) Head office shows an amount of ₹ 17,20,000 due from Branch.

(3) HO A/c shows goods sent to Branch at ₹ 15,76,000

(4) Exchange rates :

Fixed Assets	1 $ = ₹ 38
Opening Rate	1 $ = ₹ 39
Closing Rate	1 $ = ₹ 41
Average Rate	1 $ = ₹ 40

(5) Depreciate furniture and plant by 10% p.a.

You are asked to prepare :

(1) Trial balance incorporating adjustment given under 1 to 5 above converting dollars into rupees.

(2) Trading and Profit and Loss Account for the year ended 31st March, 2015 and

(3) Balance Sheet as on 31th March, 2015.

4. (a) State whether following statements are True or false : 8

   (i) Segment Reporting helps to assess the performance of the enterprise
   (ii) The objective of corporate reporting is to provide information required for decision making
   (iii) Goodwill is excess of cost of investment over value of investment
   (iv) Consolidated financial statement includes Balance Sheet only
   (v) Rebate on Bills discounted is unearned discount
   (vi) There is no restriction on payment of dividend by banking companies
   (vii) A Banking company is allowed to deal in buying and selling of goods
   (viii) A holding company has to hold at least 51% of the shares of subsidiary company

   (b) Match the following: 7

Column A	Column B
(i) Minority interest	(i) AS17
(ii) Pre-acquisition profits	(ii) AS 1
(iii) Post-acquisition profits	(iii) AS3
(iv) Cash flow statement	(iv) AS21
(v) Segment reporting	(v) AS18
(vi) Disclosure of Accounting Policies	(vi) Section 134 of Companies Act
(vii) Related party disclosure	(vii) Interest of outsider
	(viii) Revenue profits
	(ix) Consolidated accounts
	(x) Capital profits
	(xi) Interest of holding company

OR

4. Write Short Notes on (Any 3): 15

   (a) Value added statement
   (b) Cost of control
   (c) Inter branch adjustments
   (d) Essential of Financial Report
   (e) Pre-acquisition profit
