

Bharati Vidyapeeth					
(Deemed to be University), Pune					
School of Distance Education					
Assignment No.	1	Name of the Assignment Setter:			Prof. Deepthi Sharma
Course:	CBCS 2018	Class:	M.Com.	Semester:	IV
Subject: <u>PGCOM 401: Management Accounting-II</u>					

Q1. The expenses for production of 5,000 units at 50% capacity in a factory are given as follows:

Particulars	Price per unit (Rs.)
Material	50
Labour	20
Variable Overheads	15
Fixed Overheads (Rs. 50,000)	10
Administration Expenses (5% Variable)	10
Selling Expenses (20% Fixed)	6
Distribution Expenses (10% Fixed)	5
Total cost of sales per unit	116

You are required to prepare a budget for 70% and 90% production capacity. At 90% capacity cost of materials will increase by 10% whereas labour cost will decrease by 5%. (10)

Q2. From the following information find out:

1. BEP
2. Profit for sales volume of Rs. 50,000.
3. The volume of sales to make a net profit of Rs. 10,000.

Particulars	Rs.
Fixed Cost	13,000
Variable Cost	15,000
Total Cost	28,000
Net Profit	2,000
Net Sales	30,000

Q3. Write short notes on:

1. Features of marginal costing
2. Limitations of Standard Costing
3. Internal rate of return method
4. Labour Variances