MUTHA - III (2008 Course) : SUMMER - 2016

Subject : Cost & Management Accounting -III

Day : Saturday
Date : 16/04/2016

S.D.E. 29062

Time : 3.00 P.M. TO 6.00 P.M.
Max Marks : 80 Total Pages : 2

N.B.:

1) All questions are **COMPULSORY**.
2) Figures to the right indicate **FULL** marks.
3) Answers to both the sections should be written in **SAME** answer book.

SECTION-I

Q.1 Attempt any **TWO** of the following: **(16)**

a) What is the difference between Marginal costing and Absorption costing?
b) State the Limitations of Marginal Costing.
c) What are the objectives of Budget and Budgetary control?
d) What is contribution? What importance does it have in Marginal Costing?

Q.2 From the following find out. **(16)**

a) P/ V Ratio
b) Break-even point
c) Net profit if the sales were Rs. 2,50,000
d) Sales to get a Net profit of Rs. 70, 000.
Position of the year ending 31- 12- 2001

	Rs.
Sales	2,00,000
Marginal Cost	1,50,000
Contribution	50,000
Less Fixed Cost	15,000
Net Profit	**35,000**

OR

Draw up a flexible budget for overhead expenses on the basis of the following data and determine the overhead rates at 70% and 90% plant capacity.

At 80% Capacity

Variable Overheads	**Rs.**
Indirect Labour	12,000
Stores including spares	4,000
Semi –variable Overheads	
Power (30% fixed, 70% variable)	20,000
Repairs and Maintenance (60% fixed, 40% variable)	2,000
Fixed overheads	
Depreciation	11,000
Insurance	3,000
Salaries	10,000
Total of Overheads	62,000

Estimated direct labour hours at 80% capacity 1, 24,000 hrs.

P. T. O.

SECTION-II

Q.3 A factory works on Standard Costing System. Calculate Material Price, Material Usage and Material Cost Variance. **(16)**

i) A standard estimates for materials of 1000 units of a commodity in 400 kg @ Rs. 2.50 per kg.

ii) When 2000 units of a commodity are manufactured it is found that 820 kg of material are consumed @ Rs. 2.60 per kg.

OR

Define 'Standard Costing'. What are the advantages of standard costing?

Q.4 From the following particulars relating to a production order calculate, **(16)**

i) Labour Cost Variance

ii) Labour Rate Variance

iii) Labour Efficiency Variance

Also verify the results.

Standards hours per unit	Hrs. 20
Standard rate per hour	Rs. 5
Actual production	2,000 units
Actual hours	30,000 units
Actual rate per hour	Rs. 4

OR

State the objectives of standard costing. What are the Limitations of standard costing?

Q.5 Write short notes on any **FOUR** of the following: **(16)**

a) Types of Standard

b) Target costing

c) Margin of safety

d) Budget Manual

e) Production Budget

f) Objectives of Inter-firm comparison

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