

Rishi Bankim Chandra Evening College, Naihati

M.Com-3rd Semester examination 2022

Subject: Advanced Cost and Management Accounting

COMPDSE03T (F3)

Time: 2 Hours

Full Marks: 40

Group-A

Answer any five questions

(5x2=10)

1. What is Learning Curve?
2. Define Responsibility Accounting.
3. Define Zero-based Budgeting.
4. What are tools and techniques of CVP Analysis?
5. What is Management Accounting?
6. Write short notes on 'EVA'.
7. What do you mean by make or Buy decision?
8. What is Shutdown point?

Group-B

Answer any four Questions:

(4x5=20)

9. What are the essential pre-requisites for budgeting.
10. The expenses budgeted for production of 10,000 units in a factory is furnished below:

	Per unit
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	₹
Materials	140
Labour	50
Variable overheads	40
Fixed overheads (₹2,00,000)	20
Variable expenses (direct)	10
Selling expenses (10% fixed)	26
Distribution expenses (80% variable)	14
Administration expenses (₹1,00,000)	10
Total cost of sales per unit	310

Prepare a Budget for Production of (a) 8,000 units. Assume that administration expenses are rigid for all levels of production.

11. The Sales turnover and profit during two periods were as follows:

Period	Sales (Rs.)	Profit (Rs.)
1	2,00,000	20,000
2	3,00,000	40,000

What would be probable trading result with sales Rs. 1,80,000? What amount of sales will yield a profit of Rs. 50,000.

12. Discuss the importance of Activity Based Costing.

13. Arnab Ltd. manufactures a single product, the standard mix of which are as follows:

Material X 60% at Rs.20 per kg

Material Y 40% at Rs.10 per kg

Normal loss in the production is 20% of input. Due to shortage of material X, the standard mix was changed and the actual mix was as follows:

Material X 105 kg at Rs.20 per kg
Material Y 95 kg at Rs.9 per kg
Actual loss was 35 kg, while the actual output was 165 kg
Calculate all Material Variances.

14. Write Short notes on ROI

Group-C

Answer any one Question

(1x10=10)

15. From the following data, illustrate the effect of changes in various factors given below:

Selling price per unit ₹10

Variable cost per unit ₹6.00

Fixed cost ₹60,000

Current sales 20,000 units

Find out the following:

- Effect of 20% increase in selling price,
- Effect of 10% decrease in sales volume,
- Effect of 20% decrease in variable costs, and
- Effect of 10% increase in fixed costs

16) Prepare a cash Budget for the three month ending 30.06.2018 from the information given below:

(a) Month	Sales	Materials	wages	overhead
February	28,000	19,200	6000	3400
March	15,000	9,000	3000	1900
April	16,000	9,200	3200	2000
May	17,000	10,000	3600	2200
June	18,000	10,400	4000	2300

(b) credit terms are:

Sales and debtors -10% of sales are cash, 50% of credit sales are collected next month and the balance in the following month:

Creditors- Materials 1 months

 Wages $\frac{1}{4}$ month

 Overhead $\frac{1}{2}$ month

(c) cash and bank balance on 01.04.18 is expected to be Rs. 9,000.

(d) other relevant information are:

i) Plant and Machinery will be installed in Feb2018 at a cost of Rs. 96000. The monthly instalment of Rs. 2000 is payable from April onwards.

ii) Dividend @5% on Pf. Share capital of Rs. 200000 will be paid on 1st june.

iii) Advanced to be received for sale of vehicles Rs. 9000 in june.

iv) Dividend from investment amounting Rs 1000 are expected to be received in june.

v) Advanced income tax to be paid in june is Rs. 2000.

(10)