B.Com(ISM) DEGREE EXAMINATION,APRIL 2019
I Year II Semester
Accounting for Managers - II

Time : 3 Hours **Max.marks :75**

Section A $(10 \times 2 = 20)$ Marks

Answer any **TEN** questions

1. Define the term Cost Accounting.
2. What is Cost Reduction?
3. What is variable cost?
4. What are the types of Break Even Charts?
5. Sales Rs.4,00,000 Variable Cost Rs.3,00,000

   Fixed Cost Rs.40,000 what is P/V Ratio?
6. Sales Rs.50,000 Fixed Cost Rs.10,000

   Profit Rs.5,000 Calculate Variable Cost.
7. What is BIN-Card?
8. From the following particulars, calculate the EOQ.

   Annual requirements 10,800kgs. Cost of purchasing and receiving one order Rs.1,000.

   Annual carrying cost Rs.20.
9. Find out the quantity of Raw material to be purchased from the following details:

	Kgs.
Opening stock of raw material	10,000
Material expected to be consumed	20,000
Closing stock of material required	5,000

10. Define 'Budgetary Control'.
11. What is 'Variance Analysis'?
12. Calculate Material Price Variance if

Standard:	2,740 units at Rs.15 each
Actual :	3,000 units at Rs.17 each.

Section B $(5 \times 5 = 25)$ Marks

Answer any **FIVE** questions

13. You are required to compile a statement showing cost and profit from the information given, showing clearly: (a) Material consumed (b) Prime cost (c) work cost (d) cost of production (e) cost of sales (f) Profit and (g) sales.

	Rs.
Materials	2,00,000
Wages	1,00,000
Direct expenses	20,000
Opening stock of materials	40,000
Closing stock of materials	60,000

Factory overhead is absorbed at 20% on wages. Administration overhead is 25% on the work cost. Selling and distribution overheads are 20% on the cost of production.

Profit is 20% on Sales.

14. Distinction between Financial Accounting and Cost Accounting.

15. Two components X and Y are used as follows:

Normal usage -	600 units per week each
Maximum usage -	900 units per week each
Minimum usage -	300 units per week each

Reorder quantity: X - 4,800 units and Y - 7,200 units.

Reorder period: X - 4 to 6 weeks and Y - 2 to 4 weeks.

Calculate for each component: (a) Reorder level (b) Minimum level (c) Maximum level (d) Average stock level.

16. From the following details find out.

(a) Profit volume ratio (b) Break-even sales and (c) Margin of safety

Sales Rs.1,00,000 Total Cost Rs.80,000

Fixed Cost Rs.20,000 Net profit Rs.20,000

17. From the data given below calculate:

(a) Material cost variance (b) Material Price variance (c) Material usage variance

particulars	Standard qty.(units)	Standard price(Rs.)	Actual qty.(units)	Actual price(Rs.)
A	1,050	2	1,100	2.25
B	1,500	3.25	1,400	3.50
C	2,100	3.50	2,000	3.75

18. What are the different classification of Budgets?

19. For the year 2012 were planned as follows:

Particulars	1^{st} Quarter	2^{nd} Quarter	3^{rd} Quarter	4^{th} Quarter
Product A	10,000	12,000	13,000	15,000
Product B	5,000	4,500	4,000	3,800

The selling prices were Rs.20 per unit and Rs.50 per unit respectively for A and B. Average sales returns are 5% of Sales and the discount and bad debts amount to 4% of the total sales. Prepare sales budget for the year 2012

Section C $(2 \times 15 = 30)$ Marks

Answer any **TWO** questions

20. M/s Indu Industries Ltd., are the manufacturers of moon light Torches. The Following data relate to manufacture of torches during the month of March 2010.

Raw materials consumed	Rs.20,000
Direct wages	Rs.12,000
Machine hours worked	9,500 hours
Machine hour rate	Rs.2
Office overheads	20% of works cost
Selling overheads	50 paise per unit
Units produced	20,000 units
Units sold	18,000 @ Rs.5 per unit.

Prepare cost sheet showing the cost and the profit per unit and the total profit earned.

21. Prepare a store ledger form the following information adopting (a) FIFO method and (b) LIFO method of pricing of issues of materials

2012 June 1	Opening stock 2,000 unit at Rs.10 each
5	Received 1,000 units at Rs.11 each
6	Issued 500 units
10	Received 5,000 units at Rs.12 each
12	Received back 50 units out of the issue made on 6th June.
14	Issued 600 Units.
18	Returned to supplier 100 units out of the issue made on 5th June.
19	Received back 100 units out of the issue made on 14th June.
20	Issued 150 units.
25	Received 500 units at Rs.14 each.
28	Issued 300 units.

The stock verification report reveals that there was a shortage of 10 units on 18th June and another shortage of 15 units on 26th June.

22. The sales turnover and profit during two periods were as follows:

Period No.1	Sales Rs.20 lakhs	
	Profit Rs.2 lakhs	
Period No.2	Sales Rs.30 of lakhs	
	Profit Rs.4 lakhs	

Calculate: (a) P/V ratio (b) Fixed cost and (c) the sales required to earn a profit of Rs.5 lakhs.

23. The expenses budgeted for production of 10,000 units in a factory are furnished below:

	Per Unit(Rs.)
Materials	70
Labour	25
Variable overhead	20
Fixed overhead (Rs.1,00,000)	10
Variable expenses (Direct)	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administration expenses (50,000)	5
(Fixed for all levels)	
Total cost per unit(to make and sell)	155

Prepare a flexible budget for the production of (a) 8,000 units and (b) 6,000 units.