

B.Com(ISM) DEGREE EXAMINATION, NOVEMBER 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 Cost Accounting.
2. Expand (a) FIFO (b) LIFO
3. What is meant by Break even analysis?
4. Explain the term 'Variance Analysis'.
5. List out the types of Budget.
6. Calculate Cost sheet

	Rs.
Material consumed	3,400
Factory expenses	700
Office expenses	300
Selling expenses	900

7. Compute the Minimum stock level:

Normal usage of material per month: 200 units

Normal reorder period: 2 months

Minimum reorder period: 1 month

Reorder level: 800 units

8. From the following information, find out P/V Ratio

	Rs.
Sales	10,00,000
Variable cost	4,00,000
Fixed cost	4,00,000

9. Calculate Material Price Variance from the following:

Standard : 2,740 units at Rs. 15 each

Actual : 3,000 units at Rs. 17 each

10. Fixed cost at 50% activity level is Rs. 20,000. What will be the fixed cost at 60% and 80% activity levels?

11. Compute the Margin of Safety:

Profit : Rs. 2,25,000
P/V Ratio : 40%

12. Calculate Material Usage from the following:

Standard : 400 units at Rs. 10 each
Actual : 360 units at Rs. 7 each

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

Answer any **FIVE** questions

13. Differentiate between Cost Accounting and Management Accounting.

14. Material 'A' is used as follows:

Maximum usage in a month 600 Units.
Minimum usage in a month 400 Units.
Average usage in a month 450 Units.

Lead time: Maximum 6 months, Minimum 2 months'

Reorder Quantity: 1,500 Units.

Maximum reorder period for emergency purchases - 1 month

Calculate

- (a) Reorder level
- (b) Maximum level
- (c) Minimum Level

15. Vasanth Ltd, presents the following results for one year. Calculate the P/V Ratio, BEP and Margin of Safety.

Sales	Rs.2,00,000
Variable costs	Rs.1,20,000
Fixed cost	Rs.50,000
Net profit	Rs.30,000

16. Explain the Objectives of standard costing.

17. Prepare Production Budget for the Quarter ending 31st March 2004:

	Tons.
Budgeted sales for the Quarter	40,000
Stock on 31 st Dec. 2003	8,000
Required stock on 31 st March 2004	10,000

18. Prepare a cost sheet from the following:

	Rs.
Direct materials	50,000
Direct wages	15,000
Factory expenses	5,000
Office expenses	1,000
Selling expenses	500

19. Find out the economic order quantity (EOQ) from the following particulars:

Annual usage : 6,000 units

Cost of Material per unit : Rs. 20

Cost of placing and receiving one order: Rs. 60. Annual carrying cost of one unit: 10% of Inventory value.

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

Answer any **TWO** questions

20. During the year 2008, X Ltd., produced 50,000 units of a product. The following were the expenses:

	Rs.
Stock of raw materials on 1.1.2008	10,000
Stock of raw materials on 31.12.2008	20,000
Purchases	1,60,000
Direct wages	75,000
Direct expenses	25,000
Factory expenses	37,500
Office expenses	62,500
Selling expenses	25,000

You are required to prepare a Cost sheet showing cost per unit and total cost at each stage.

21. From the following particulars given below write up the stores ledger card:

2007

Jan 1	Opening stock	1,000 units at Rs. 26 each
5	Purchased	500 units at Rs. 24.50 each
7	Issued	750 units
10	Purchased	1,500 units at Rs. 24 each
12	Issued	1,100 units
15	Purchased	1,000 units at Rs. 25 each
17	Issued	500 units
18	Issued	300 units
25	Purchased	1,500 units at Rs. 26 each
28	Issued	1,500 units

Adopt the FIFO method of issue and ascertain the value of the closing stock.

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

Year	Sales Rs.	Profit Rs.
2007	1,40,000	15,000
2008	1,60,000	20,000

- a. P/V Ratio
- b. Break-even point
- c. Sales required to earn a profit of Rs. 40,000
- d. Fixed expenses and
- c. Profit when sales were Rs. 1,20,000

23. With the following data for 60% activity, prepare a budget at 80% activity.

Materials	100 Per unit
Labour	40 Per unit
Variable expenses(direct)	10 Per unit
Factory expenses (40% fixed)	Rs. 40,000
Administration (60% fixed)	Rs. 30,000
Present production(60% activity)	600 units