

B.Com. (BIM) Degree Examinations - Even Semester 2021

III Year VI Semester

Cost and Management Accounting

Max Marks: 25

Answer any Five questions (5 * 5 = 25)

1. Distinguish between Cost and Financial Accounting.
2. Classify the various methods of Wage Payments.
3. You are required to compile a statement showing cost and profit from the information given, showing clearly : (a)Material consumed (b) Prime cost (c)Works Cost (d) Cost of Production (e) Cost of sales (f) Profit (g) Sales.

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

Factory overheads are observed at 20% on wages. Administration overheads is 25% on the works cost. Selling and distribution overheads are 20% on the cost of production. Profit is 20% on sales.

4. Two components of A and B are used as follows:

Reordering quantity	: A – 1200 units,	B – 1000 units
Reordering Period	: A – 2 to 4 weeks	B – 3 to 6 weeks
Normal usage	: 300 units per week each	
Minimum usage	: 150 units per week each	
Maximum usage	: 450 units per week each	
Emergency Period	: A – 2 weeks /	B – 1 week

You are required to calculate the following for each of the components.

- a. Re-ordering Level b. Maximum Level c. Minimum Level

5. A manufacturing concern has three production departments and two service departments. In July 2016, the department expenses were as follows:

Production Departments: A - 16,000 / B - 13,000 / C - 14,000

Service Departments : X - 4,000 / Y - 6,000

The service department expenses are charged out on a percentage basis, viz.,

		A	B	C	X	Y
Exp. of department -X	20%	25%	35%	--	20%	
Exp. of department -Y	25%	25%	40%	10%	--	

Prepare a statement of secondary distribution under repeated distribution method.

6. The following are the summarized Balance Sheet of Malar Industries Ltd-Chennai, as on 31st December 1999 and 2000:

Balance Sheet

Liabilities	1999 Rs.	2000 Rs.	Assets	1999 Rs.	2000 Rs.
<u>Capital:</u>			Fixed Assets	41,000	40,000
7% Redeemable Preference Share	---	10,000	<u>Less:</u>		
Equity Shares	40,000	40,000	Depreciation	11,000	15,000
Gen. Reserve	2,000	2,000		30,000	25,000
P & L a/c	1,000	1,200	<u>Current</u>		
Debentures	6,000	7,000	<u>Assets:</u>		
<u>Current Liabilities:</u>			Debtors	20,000	24,000
Creditors	12,000	11,000	Stock	30,000	35,000
Provision for tax	3,000	4,200	Prepaid Exp.	300	500
Proposed Dividend			Cash	1,200	3,500
Bank Overdraft	5,000	5,800			
	12,500	6,800			
	<u>81,500</u>	<u>88,000</u>		<u>81,500</u>	<u>88,000</u>

- Prepare:**
- Statement Showing Changes in working capital
 - A statement of Sources and Applications of Funds

7. From the following information relating to Palani Bros. Ltd., you are required to find out :
- P/V Ratio
 - Break Even Point
 - Profit
 - Margin of Safety

Total Fixed Cost	Rs. 4,500
Total Variable Cost	Rs. 7,500
Total sales	Rs. 15,000