

**SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN  
(AUTONOMOUS)**

**(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)  
Chromepet, Chennai — 600 044.**

**B.Com.(ISM) END SEMESTER EXAMINATIONS APRIL-2022**

**SEMESTER - II**

**20UBICT2003 - Accounting for Managers – II**

**Total Duration : 3 Hrs.**

**Total Marks : 60**

**Section A**

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. Distinguish between Cost Accounting and Financial Accounting.
2. Explain the importance of Marginal Costing in Decision Making.
3. During the year 2008, X Ltd., produced 50,000 units of a product. The following were the expenses:

<b>Particulars</b>	<b>Rs.</b>
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 state.

4. Compute the various stock levels from the following data:

Maximum consumption in a month - 300 units.

Minimum usage in a month – 200 units.

Average usage in a month – 225 units.

Time-lag for procurement of materials:

Maximum 6 months

Minimum 2 months

Reorder quantity 750 units

**Contd...**

5. You are given the following data for the year 2007 of a concern:

	Rs.
Variable Cost	6,00,000
Fixed cost	3,00,000
Net profit	1,00,000
Sales	10,00,000

Find (a) P/V Ratio (b) B.E.P (c) Profit when sales is Rs.12,00,000 ( d) sales in Rupees to earn a profit of Rs.2,00,000.

6. Prepare a flexible budget for production at 80% activity on the basis of the following information:

Production at 50% capacity	- 5000 units
Materials	- Rs.80 per unit
Labour	- Rs.50 per unit
Direct expenses	- Rs.15 per unit
Factory Expenses	- Rs.50,000 (50% Fixed)
Administration Expenses	- Rs.60,000 (60% Variable)

7. Data relating to a job are as under:

Standard rate of wages per hour Rs.10

Standard hours – 300

Actual rate of wages per hour Rs.12

Actual hours – 200

You are required to calculate:

- Labour cost variance
- Labour rate variance
- Labour efficiency variance

8. Prepare a production Budget for three months ending December, 2006 for a factory producing four products, on the basis of the following information:

Type of Product	Estimated stock on 1 <sup>st</sup> January, 2006	Estimated stock sales during the year	Desired Closing Stock on December 31 <sup>st</sup> , 2006
<b>A</b>	2,000	10,000	3,000
<b>B</b>	3,000	15,000	5,000
<b>C</b>	4,000	13,000	3,000
<b>D</b>	3,000	12,000	2,000

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### Section B

Answer any **THREE** questions ( $3 \times 10 = 30$  Marks)

9. Draw a statement of cost from the following particulars:

Particulars	Rs.
<b>Opening Stock:</b>	
Materials	2,00,000
Work-in-progress	60,000
Finished goods	5,000
<b>Closing Stock:</b>	
Materials	1,80,000
Work-in-progress	50,000
Finished goods	15,000
Material Purchased	5,00,000
Direct Wages	1,50,000
Manufacturing Expenses	1,00,000
Sales	8,00,000
Selling and distribution expenses	20,000

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

**1988**

**January**

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.
29 Issued	1,500 units.

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

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

Year	Sales	Profit
	Rs.	Rs.
<b>2008</b>	1,50,000	20,000
<b>2009</b>	1,70,000	25,000

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You are required to calculate:

- (i) P/V ratio.
- (ii) BEP.
- (iii) Sales required to earn a profit of Rs.40,000.
- (iv) Profit when sales are Rs.2,50,000.
- (v) Margin of safety at a profit of Rs.50,000.

12. From the following data for may 2015 of a factory calculate:

- (1) Material cost variance    (2) Material price variance
- (3) Material usage variance    (4) Material mix variance

Name of Material	Standard		Actual	
	Kg	Rate	Kg	Rate
<b>X</b>	8,000	1.05	7,500	1.2
<b>Y</b>	3,000	2.15	3,300	2.3
<b>Z</b>	2,000	3.3	2,400	3.5

13. XYZ company wishes to arrange O.D. facilities with its bankers during the period April – June, when it will be manufacturing mostly for stock.

i. Prepare cash budget for the above period from the following data.

Months	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)
<b>February</b>	1,80,000	1,24,000	12,000
<b>March</b>	1,92,000	1.44,000	14,000
<b>April</b>	1,08,000	2,43,000	11,000
<b>May</b>	1,74,000	2,46,000	10,000
<b>June</b>	1,26,000	2,68,000	15,000

- ii. 50% of credit sales is realized in the month following the sale and the other 50% in the second month following. Creditors are paid in the month following the month of purchase.
- iii. Wages are paid at the end of the respective month.
- iv. Cash at bank – 1<sup>st</sup> April – Rs.25,000.

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