

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.(BIM) END SEMESTER EXAMINATIONS APRIL-2023

SEMESTER - VI

**18UBBCT6019 - Cost and Management Accounting**

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

### Section B

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

1. Explain the steps in the preparation of 'Cash flow statement'.
2. In a factory 20,000 units of product "A" were manufactured in the month of July 2009. From the following figures obtained from the costing records, prepare a cost sheet showing cost per unit:

	Rs.
Opening of raw material	5,000
Purchases 5	5,000
Closing stock of raw material	10,000
Direct Wages	25,000
Factory Over heads	40,000
Office and administration overheads	20,000

3. Compute different levels of stock:  
Normal consumption 300 units per day  
Maximum Consumption 420 days per day  
Minimum consumption 240 units per day  
Reorder level 3600 units  
Reorder period 10 to 15 days  
Normal reorder period 12 days.
4. Raj Works in a factory where the following particulars apply:  
Normal rate per hour Rs.1.50  
Normal piece rate = 20% more of time rate  
Expected output 20 units per hour  
Raj produces 157 units in an 8 hour day.  
Compute his wages for the day on:  
a. Time basis and  
b. Piece basis

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5. Compute the machine hour rate for the following machine whose scrap value is 'nil'
- Cost of machine Rs.3,60,000
  - Freight and installation Rs.40,000
  - Working life : 20 Year
  - Working hours : 8,000 per year
  - Repair charges : 50% of depreciation
  - Power : 10 units per hour @ 10 paise per unit
  - Lubricating oil @ Rs.2 per day of 8 hours
  - Consumable stores @ Rs.10 per day of 8 hours
  - Wages of operator @ Rs.4 per day
6. From the following information relating to P Ltd., you are required to Compute
- 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
7. From the following Profit and loss a/c prepare Fund from operations.

Particulars	Rs.	Particulars	Rs.
To Rent	10,000	By Gross profit	9,86,000
To Salary	25,000		
To Depreciation	3,000		
To Discount on issue of shares	10,000		
To Goodwill written off	5,000		
To Preliminary expenses written off	6,000		
To Net profit	9,27,000		
	<b>9,86,000</b>		<b>9,86,000</b>

8. Distinguish between Management Accounting and Cost Accounting.

### Section C

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

9. The accounts of a machine manufacturing company disclose the following information for six months ending 31<sup>st</sup> December 2021.

	Rs.
Materials used	1,50,000
Direct wages	1,20,000
Factory overheads	30,000
Administrative expenses	15,000

Prepare the cost sheet of the machine and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at Rs.1,250 and expenditure in productive wages Rs.750, so that the price might yield a profit of 20% on the selling price.

10. The following transactions occur in the purchase and issue of a material:

Jan 2	Purchased 4,000 units @Rs.4.00 per unit
Jan 20	Purchased 500 units @Rs.5.00 per unit
Feb 5	Issued 2,000 units
Feb 10	Purchased 6,000 units @Rs.6.00 per unit
Feb 12	Issued 4,000 units
March 2	Issued 1,000 units
March 5	Issued 2,000 units
March 15	Purchased 4,500 units @Rs.5.50 per unit
March 20	Issued 3,000 units

Prepare Stores Ledger account using (1) Simple Average Method (2) Weighted Average Method.

11. Apportion the overheads among the departments A,B, C and D.  
(Primary Apportionment)

	Rs.		Rs.
Work's Manager's salary	4,000	Power	21,000
Contribution to P.F	9,000	Depreciation	20,000
Plant maintenance	4,000	Rent	6,000
Canteen expenses	12,000		

Additional Information

Particulars	A	B	C	D
Number of employees	16	8	4	4
Area occupied (sq.ft)	2,000	3,000	500	500
Value of plant (Rs.)	75,000	1,00,000	25,000	
Wages (Rs.)	40,000	20,000	10,000	5,000
Horse power (kwh)	3	3	1	

12. The sales turnover and profit during two years are as follows:

Year	Sales (Rs.)	Profit (Rs.)
2006	1,40,000	15,000
2007	1,60,000	20,000

Calculate:

1. P/V Ratio
2. Break-even point
3. Sales required to earn a profit of Rs.40,000
4. Fixed expenses and
5. Profit when sales are Rs.1,20,000

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13. Following are the summarized Balance Sheets of A & Co. Ltd., as on 31<sup>st</sup> December 2020 and 2021

**Balance Sheet**

<b>Liabilities</b>	<b>2020</b> (Rs.)	<b>2021</b> (Rs.)	<b>Assets</b>	<b>2020</b> (Rs.)	<b>2021</b> (Rs.)
Share Capital	1,00,000	1,50,000	Land & Building	1,00,000	90,000
General Reserve	50,000	60,000	Plant & Machinery	1,00,000	1,19,000
Profit & Loss A/c	30,500	30,600	Stock	50,000	24,000
Bank Loan	70,000	-	Debtors	75,000	63,000
Sundry Creditors	50,000	37,200	Cash	500	1,200
Provision for Tax	32,000	35,000	Bank	2,000	15,000
			Goodwill	5,000	-
	<b>3,32,500</b>	<b>3,12,200</b>		<b>3,32,500</b>	<b>3,12,200</b>

Additional Information :

- a) Dividend of Rs.23,000 was paid during 2021.
  - b) Depreciation written off on building Rs.10,000 and machinery Rs.14,000
  - c) Income Tax paid during the year ended 31<sup>st</sup> December 2021 Rs.28,000.
- Prepare a Funds Flow Statement for 2021.

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