

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 NOVEMBER -2023

SEMESTER - II

20UBICT2003 - Accounting for Managers - II

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section B

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

1. Describe the advantages of cost accounting.
2. Sketch the difference between financial accounting and cost accounting.
3. 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.

4. The following information is available in respect of component D20:
- | | |
|---------------------------|--|
| Maximum stock level | : 42,000 units |
| Budgeted consumption | : Maximum 7,500 units per month
Minimum 4,000 units per month |
| Estimated delivery period | : Maximum 4 month
Minimum 2 month |

You are required to calculate:

- a) Re-order level
 - b) Re-order quantity
5. Vasanth Ltd., Presents the following results of one year. Calculate the P/V Ratio, BEP and Margin of Safety.

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

6. Prepare Production Budget for Product Z Ltd., the quarter ending 31st March 2014:
Budgeted sales for the quarter – 40,000 tons; Stock on 31st December 2013 – 8,000 tons; Required stock on 31st March 2014 – 10,000 tons.

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7. Prepare Material Procurement Budget for the month of January (in units)

Particulars	Material A	Material B
Estimated Stock on 1 st January	1,600	600
Estimated Stock on 31 st January	2,000	800
Estimated consumption in the month	12,000	4,000

8. The standard estimate for materials to manufacture 1,000 unit of a commodity is 400 kgs, at Rs.2.50 per kg. When 2,000 units of the commodity are manufactured, it is found that 820 kgs of materials are consumed at Rs.2.60 per kg. Calculate the material variances.

Section C

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

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

Particulars	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.

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

2007

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. From the following information calculate:

- a) Break-even point
- b) Number of units that must be sold to earn a profit of Rs.60,000 per year.
- c) Number of units that must be sold to earn a net income of 10% on sales.
 - Sales price - Rs.20 per unit
 - Variable cost - Rs.14 per unit
 - Fixed cost - Rs.79,200.

12. Prepare a flexible budget for production at 80% and 100% activity on the basis of the following information. Production at 50 capacity - 5,000 units

Particulars	Amount (in ₹)
Raw materials	₹80 per unit
Direct labour	₹50 per unit
Direct expenses	₹15 per unit
Factory expenses	₹50,000 (50% fixed)
Administration expenses	₹60,000 (40% fixed)

13. The following data is gathered from the records of Samuel & Co., for the month of January 1997.

- Standard of labour rate : Rs.50 per labour hour
- Hours set per unit : 10 hours
- Units produced : 1,000 units
- Hours worked : 12,000 hours
- Actual labour cost : Rs.7,20,000

You are required to calculate labour variances.
