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MASTER OF COMMERCE (M. COM.)
EXAMINATION: MAY 2022
THIRD SEMESTER
Sub: Costing (MCA - 312)

Date: 27/05/2022

Total Marks :60

Time: 10.00 am to 12.30 pm

- Instructions:** 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q.1 Answer the following questions. (Attempt any two)

(32)

1. SUN chemical industries provides you the following information from their records
The standard material requirement is-

Material	Quantity (kgs)	Rate per (kgs)
X	120	4
Y	80	8

The actual consumption of material is as under

Material	Quantity (kgs)	Rate per (kgs)
X	112	5
Y	88	10

Calculate

- 1) Material cost variance
 - 2) Material price variance
 - 3) Material usage variance
2. The following particulars are extracted from the records of a company.

Particulars	Products A	Products B
Sales price per unit	Rs- 100	Rs-120
Consumption of material	2kg	3kg
Material cost	10	15
Direct labour cost	15	10
Direct expenses	5	6
Machine hours used	3	2
Fixed overheads per unit	5	10
Variable overhead per unit	15	20

Direct labour per hour is Rs-5. Comment on the profitability of each product when

- 1) Total sales potential units is limited
- 2) Total sales potential in values is limited

- 3) Raw material is in short limited
- 4) Production capacity is limited

Assuming raw material as the key factor availability of which is 10000 kg and maximum sales potential of each product being 3500 units.

Find out the production which will yield maximum profits.

3. From the following information prepare
 - 1) Process X account
 - 2) Process Y account

Particulars	Process X	Process Y
Material (Introduce 20000 units in Process A)	30,000	3,000
Labour	10,000	12,000
Overheads	7000	9580
Normal loss	10%	4%
Scrap value of normal loss	Rs-1 per unit	Rs-2 per unit
Output	17500	17000

4. From the following information prepare contract account

Particulars	Amount
Material issued to stores	12,00,000
Material purchased	62,000
Wages paid	14,60,000
Outstanding wages	3000
Plant and machinery installed 1 st July	32,000
Direct expenses	50,000
Direct expenses accrued	13,000
Administration cost	1,20,000
Work certified	32,00,000
Work uncertified	1,12,000
Material return to store	1,44,000
Cash received from contractee	28,80,000

Q.2 Answer the following.(Attempt any one)

(08)

1. Explain Advantages of job costing
2. Write a note on master budget
3. Prepare production budget for the year ended 2021

Product	Estimated stock		Sales units
	Jan 1 st	Dec 31 st	
X	20000	20000	240000
Y	20000	40000	200000

Q.3 Write short notes. (Attempt any two)

(10)

1. Various functions of budget
2. Classification of cost according to element
3. Techniques of costing
4. Cost Centre

Q.4 Select the Correct Alternatives (Attempt Any Ten)

(10)

1. The proportion in which a multi- product company sales its product is referred to as -----
 - a) production mix
 - b) prime cost
 - c) sales mix
 - d) standard cost
2. ----- is not method of costing
 - a) Historical Costing
 - b) profit center
 - c) Batch costing
 - d) uniform costing
3. In process costing cost per unit increase due to -----
 - a) abnormal loss
 - b) normal loss
 - c) abnormal gain
 - d) normal gain
4. In contract account the amount of work in progress consist of -----
 - a) cost of work certified
 - b) the amount of profit transferred to P& L a/c
 - c) cost of work uncertified
 - d) None of these
5. Production budget is governed by -----
 - a) sales budget
 - b) flexible budget
 - c) cash budget
 - d) fixed budget
6. ----- is the technique and process of cost
 - a) cost accountancy
 - b) financial accounting
 - c) costing
 - d) budget
7. ----- is a cost management tool for reducing the product over its entire life cycle with the help of production, engineering, research and design
 - a) target costing
 - b) uniform costing
 - c) marginal costing
 - d) job costing
8. ----- is process of allocation of resources
 - a) budgeting
 - b) controlling
 - c) analysis
 - d) none of these
9. ----- point represent the level of activity at which sales revenue is equal to total cost
 - a) sales
 - b) breakeven point
 - c) purchase
 - d) total cost
10. Idle time variance is always -----
 - a) higher
 - b) lower
 - c) adverse
 - d) none
11. Main objective of cost accounting is to -----
 - a) maximize profit
 - b) provide information for decision making
 - c) help in inventory valuation
 - d) aid in fixation of selling price
12. Contribution less ----- = profit
 - a) fixed cost
 - b) variable cost
 - c) rigid cost
 - d) sales price
