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BACHELOR OF COMMERCE (B.COM.)
EXAMINATION- DECEMBER 2022
THIRD/ FIFTH SEMESTER

Sub.: Cost and Work Accounting - III (BCOM19-304C / BCWA-503)

Date: 8/12/2022

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 (a) Fill in the blanks (Any 5)

(05)

1. Cost audit can measure the ----- of the organization
 - a) Profitability
 - b) Ability
 - c) Accuracy
 - d) None of this
2. Sales - ----- = contribution
 - a) Fixed cost
 - b) Net profit
 - c) Marginal cost
 - d) Gross profit
3. Idle time variance is always -----
 - a) Adverse
 - d) Positive
 - b) Favorable
 - c) None of this
4. Marginal cost is also known as -----
 - a) Factory cost
 - b) semi- variable cost
 - c) Variable cost
 - d) Cost of production
5. ----- is a part of comprehensive strategic profit management system
 - a) Target costing
 - b) Standard costing
 - c) Marginal costing
 - d) Process costing
6. Ais plan for some specific future period.
 - a) Standard Cost
 - b) Budgeting
 - c) Budget
 - d) None of them
7. ----- are predetermined cost of a product under present or a anticipated future condition.
 - a) Standard cost
 - b) Historical cost
 - c) Present cost
 - d) None of the above

Q. 1 (b) State whether the following statement are true or false (any 5)

(5)

- 1 Marginal costing is also known as direct costing and variable costing.
- 2 The cash budget is a tool of financial planning
- 3 The purpose of the uniform cost manual is to serve as a comprehensive reference book on accounting procedure.
- 4 Break- even point is that point at which there is either profit or loss.
- 5 A budget is both a plan as well as control tool.
- 6 Section 22B of the company's act provides for statutory cost audit.
- 7 Contribution is referred as gross margin

- Q. 2 a)** Following are the details of ABC Ltd. You are required to prepare a production budget assuming that (20)
- (a) There is no loss in production.
 (b) Normal loss in production 5% and 10% for products X and Y respectively.

	Sales Budget (units)	Product X	Product Y
1.	Division I Division II Division III Total Units	2,000 3,000 2,500 7,500	1,000 6,000 2,250 9,250
2.	Stock as on 1 Jan: X-1500 Y- 2000		
3.	Stock as on 31 Dec: Estimated to be 10% more in quantity.		

OR

- Q. 2 b)** What do you mean by standard Costing? Explain advantages and limitations in details.

- Q. 3 a)** From the following data, calculate labour variance: (10)

Gross direct wages – Rs-3,000
 Standard hours produced – Rs-1,600
 Standard rate per hour – Rs-1.50
 Actual hours paid 1,500 hours, out of which hours not worked (abnormal idle time) are 50.

- Q. 3 b) Write short notes. (Any 2)** (05)

- 1 Uniform Cost Manual
- 2 Advantages of cost audit
- 3 Variance analysis
- 4 Advantages of budgetary control

- Q. 4 a)** 1) P/V ratio (15)

- 2) BEP sales
- 3) Fixed cost

Sales volume to earn a profit of Rs-1, 20,000
 Sales – Rs-1, 50,000
 Profit – Rs-15,000
 Variable cost – 80% of sales turnover

OR

- Q.4 b)** The Extracts from B Ltd are as follows

Selling Price per unit Rs. 20
 Variable Price per unit Rs. 16
 Total Fixed Cost Rs. 20,000

Calculate BEP in unit also calculate BEP if

- 1) Selling Price is increased by Rs.1/-
- 2) Selling Price is decreased by Rs.1/-
- 3) Variable Price is increased by Rs.1/-
- 4) Variable Price is decreased by Rs.1/-
- 5) Fixed cost is increased by Rs.5000/-
- 6) Fixed cost is decreased by Rs.5000/-