E (100)
Batch(2020-21till 2022-23)

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EXAMINATION- MAY- 2023
FIFTH SEMESTER
Sub.: Cost & Works Accounting-III (BCOM19- 304C,BCWA-503)

Date: 30/05/2023 **Total Marks: 100** **Time: 10.00 am to 1.00 pm**

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

Q.1(a)	**Fill in the blanks (Any 5)**		**(10)**
1	A ------- System facilitates delegation of authority		
	a) Budgetary control	b) Planning	
	c) Marginal costing	d) Co-ordination	
2	-------- are predetermined cost of a product under present or anticipated future condition.		
	a) Standard cost	b) Historical cost	
	c) Present cost	d) None of this	
3	------- is a part of comprehensive strategic profit management system		
	a) Target costing	b) Standard costing	
	c) Marginal costing	d) Process costing	
4.	_____________ represents the level of activity at which sales revenue is equal to total cost.		
	a) Margin of safety	b) Breakeven point	
	c) Contribution	d) None of these	
5.	The objective of _____________ is to secure for optimum working capital.		
	a) Production budget	b) Cash budget	
	c) Sales budget	d) None of these	
6.	____________ is a process of allocation of resources.		
	a) Costing	b) Accounting	
	c) Budgeting	d) None of these	
7	____________ are predetermined costs of a product under present or anticipated future conditions.		
	a) Standard cost	b) Budgetary control	
	c) Uniform cost	d) None of these	
Q.1(b)	**State whether the following statement are true or false (any 5)**		**(10)**
1	Target costing provides a cross- functional communication language for the product optimization.		
2	Fixed cost are controllable in nature in shorter run		
3	A budgetary control system serves the basic purpose, namely planning, co-ordination and control.		
4	Periodical management review of costs reveals efficiency.		
5	Contribution is referred as gross margin		
6	Section 22B of the companies Act provides for statutory cost Audit.		
7	Contribution = sales (-) fixed cost.		

Q.2(a)	Define uniform costing. Explain advantages and disadvantages of uniform costing.	**(20)**
	OR	
Q.2(b)	Following are the details of PQR Ltd. You are required to prepare production budget for 6 months ending on 31st March 2022 for a factory producing four products from the following information.	

Product	Estimated stock on 30th September 2022 (in units)	Estimated sales during September 2021to march 2022 (in units)	Desired closing stock on 31st march 2022 (in units)
P	7000	25000	9000
Q	9000	33000	11000
R	10000	40000	8000
S	13000	47000	7000

Q.3(a) 'Syntel' Ltd. provides you the following information from their records. **(10)**

The standard material requirement is-

Material	Quantity (kgs)	Rate per kg (Rs)
A	800	6
B	400	4

The actual consumption of material is as under

Material	Quantity (kgs)	Rate per kg (Rs)
A	750	7
B	500	5

Calculate:-

1) Material cost variance

2) Material price variance

3) Material usage variance

4) Material mix variance

Q.3(b)	**Write short notes. (Any 4)**		**(20)**
	1) Advantages of cost audit	2) Advantages of inter-firm comparison	
	2) Variance analysis	4) Uniform Costing	
	3) Features of target costing	6) Limitations of standard costing	
	4) Objectives of budgetary control		
Q. 4	**Solve the following problem (Any 2)**		**(30)**

1. From the following information find out
    1) P/V ratio
    2) Break- even point
    3) The profit made when sales are Rs- 500,000

Sales = Rs- 400,000

Variable costs

Direct material Rs- 150,000

Direct labour Rs- 75000

Variable overheads Rs- 75000

Fixed cost Rs- 30000

2.	'ABC' Co. Ltd. furnishes the following data Sales 1, 50,000 Variable overhead 1, 20,000 Fixed overhead 20,000 Find out the following 1) P/V ratio 2) BEP sales 3) Net profit when sales are Rs- 4, 00,000 4) Sales required to earn a profit of Rs- 80,000 5) Margin of safety when the sales are Rs- 4, 00,000	
3.	What is meant by marginal costing? Explain concept of marginal cost, fixed cost and variable cost in detail	
4.	Explain the meaning of cost audit and also explain the objectives of cost audit.	