

**TILAK MAHARASHTRA VIDYAPEETH, PUNE**  
**MASTER OF COMMERCE (M.COM)**  
**EXAMINATION: DECEMBER - 2023**  
**THIRD SEMESTER**  
**Sub: Costing (MCA-312)**

**Date: 09/12/2023**

**Total marks: 60**

**Time: 2.00 pm to 4.30 pm**

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

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

**(32)**

1. Explain various functions of budget
2. From the following information prepare
  - 1) Process A account
  - 2) Process B account

Particulars	Process A	Process B
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

3. Gemini 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
- Material usage variance
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 <sup>st</sup> 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 questions. (Attempt any one)**

**(08)**

1. Prepare production budget for the year ended 2021

Product	Estimated stock		Sales units
	Jan 1 <sup>st</sup>	Dec 31 <sup>st</sup>	
X	40000	40000	480000
Y	40000	80000	400000

2. Discuss Advantages of job costing
3. State Production mix.

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

**(10)**

1. Cash budget
2. Classification of cost according to element
3. Techniques of costing explain.
4. Master budget

**Q. 4 Select the correct Alternatives (Attempt any ten)**

**(10)**

1. 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
2. Contribution less ----- = profit
  - a) fixed cost
  - b) variable cost
  - c) rigid cost
  - d) sales price
3. ----- is process of allocation of resources
  - a) budgeting
  - b) controlling
  - c) analysis
  - d) none of thses
4. ----- point represent the level of activity at which sales revenue is equal to total cost
  - a) sales
  - b) break even point
  - c) purchase
  - d) total cost
5. Idle time variance is always -----
  - a) higher
  - b) lower
  - c) adverse
  - d) none
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. In process costing cost per unit increase due to -----
- a) abnormal loss
  - b) normal loss
  - c) abnormal gain
  - d) normal gain
9. 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
10. Production budget is governed by -----
- a) sales budget
  - b) flexible budget
  - c) cash budget
  - d) fixed budget
11. ----- is not method of costing
- a) Historical Costing
  - b) profit center
  - c) Batch costing
  - d) uniform costing
12. 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
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