

**TILAK MAHARASHTRA VIDYAPEETH, PUNE**  
**BACHELOR OF COMMERCE (B.COM.)**  
**EXAMINATION- MAY- 2024**  
**FIFTH SEMESTER**

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

**Date: 23/05/2024**

**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. Budget is prepared -----
  - a) In advance for a special period
  - b) Long term period
  - c) After a specific period
  - d) Short term period
2. Cost variance is the difference between -----
  - a) standard cost and actual cost
  - b) fixed cost and marginal cost
  - c) standard cost and variable cost
  - d) None of the above
3. Break-even point is the point -----
  - a) High profit
  - b) Low losses
  - c) no profit, No loss
  - d) P/V ratio
4. The cost which remains fixed irrespective of level output are known as -----
  - a) Fixed cost
  - b) variable cost
  - c) Semi variable cost
  - d) Historical cost
5. ----- are predetermined cost of a product under present or anticipated future conditions.
  - a) Standard cost
  - b) Abnormal cost
  - c) Historical cost
  - d) None of the above
6. Labour cost variance is difference between -----
  - a) Actual labour cost and standard cost
  - b) actual rate and standard rate
  - c) Actual hours and standard hours
  - d) Idle time
7. Idle time variance is always -----
  - a) Adverse
  - b) Positive
  - c) Favorable
  - d) Similar

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

**(5)**

- 1 Uniform costing may create monopolistic tenderizes within the industry.
- 2 Cost audit is part and partial of financial Audit
- 3 Contribution is referred as gross margin
- 4 Favourable material cost variance when actual cost incurred is more than standard cost
- 5 At break even point equals fixed cost
- 6 Target costing provides across functional communication language for the product optimization.
- 7 The cash budget is a tool of financial planning

**Q. 2 a) What is meant by uniform costing? Explain advantages and limitations in details. (20)**

**OR**

**b) The expenses budgeted for production of 10,000 units in a factory are:**

| Particulars                           | Amount per unit |
|---------------------------------------|-----------------|
| Material                              | 70              |
| Labour                                | 25              |
| Variable overhead                     | 20              |
| Fixed overhead ( Rs- 1,00,000)        | 10              |
| Direct expenses                       | 05              |
| Selling expenses (10% fixed)          | 13              |
| Distribution expenses (20% fixed )    | 07              |
| Administrative expenses ( Rs- 50,000) | 05              |

Prepare a budget for production of 8000 units and 6000 units showing total and per unit cost.

**Q. 3 a) ABC co. ltd furnishes you the following information of two years (10)**

| Year | Sales     | Total profit |
|------|-----------|--------------|
| 2021 | 40,00,000 | 4,00,000     |
| 2022 | 60,00,000 | 8,00,00      |

Calculate

P/V ratio

Break-even point

Fixed cost

Profit when sales are Rs- 50,00,000

**b) Write short notes. (Any 2) (05)**

- 1 Uniform cost manual
- 2 Objectives of budgetary control
- 3 Types of cost audit
- 4 Features of target costing

**Q. 4 a) From the following information calculate (15)**

Material price variance

Material cost variance

Material usage variance

Material mix variance

| Particulars | Standard |     | Actual |     |
|-------------|----------|-----|--------|-----|
|             | Qty      | Amt | Qty    | Amt |
| X           | 5        | 10  | 4      | 20  |
| Y           | 3        | 9   | 2      | 6   |
| Z           | 2        | 8   | 3      | 9   |
|             | 10       | 27  | 9      | 35  |

**OR**

**b) From the following data calculate**

Labour cost variance

Labour efficiency variance

Labour rate variance

Actual gross wages ( direct ) Rs- 2000

Standard hrs for worked 8000

Standard rate Rs-0.30

Actual hrs worked 8200