

VPM's
DR VN BRIMS, Thane
Programme: MMS (2015-17)
Second Semester Examination April 2015

Subject	Cost and Management Accounting		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages		Date	20-04-2016

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

a) Product 'p' passes through 3 processes to completion.

Following are the relevant details:

Elements of cost	Process A	Process B	Process C
Direct material	2000	3020	3462
Direct wages	3000	4000	5000
Direct expenses	500	226	-
Production overheads	-	-	-
Output	920units	870units	800units
Normal loss	10%	5%	10%
Scrap value	3	5	6

b) 1000 units at Rs.5each were issued to process A

c) Production overheads is allocated to each process on the basis of 50% of the cost of direct labour.

Prepare process account, Abnormal loss account, Abnormal gain accounts, and Normal loss account.

Attempt Any FOUR from the Remaining SIX Questions

Q2) Solve any 1: 10 Marks

a) The following details are available from the book of Mr. Suraj for the year of 31st Mar, 2014. You are required to prepare the contract account.

Particulars	Amount(Rs)
Material sent to site	1,20,000
Wages	52,000
Plant purchased	80,000
Expenses	5,000
Overhead expenses	20,000
Work certified	2,75,000
Work uncertified	10,000
Material at site	2,000
Accrued expenses	1,000
Plant depreciation rate	10%
Contract price	5,00,000
Cash received	2,00,000

b) The contract price agreed upon with the contractee is 72,000. Cash received Rs. 32,400 being 90% of work certified.

Particulars	Amount(Rs)
Material sent	12,400
Labour	17,060
Plant purchased	1,720
Establishment	1,340
Work uncertified	1,000
Material at site	800
Depriciation on plant	10%

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

a) From the following , calculate material variances.

Particulars	Amount(Rs)
Quantity of material purchased	2500units
Value of material purchased	Rs. 7500
Standard quantity of material required for one ton of finished product	25units
Standard rate of material	Rs.2per unit
Finished production	80tons

b) From the following data given below, calculate material variances.

Raw Material	Standard	Actual
A	40 units @ Rs. 50 each	50units @ Rs. 50 each
B	60units @ Rs. 40 each	60units @ Rs. 45 each

c) Write a short note on Activity Based Costing.

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

a) From the following information, calculate the labour variances:

Particulars	Amount
Actual wage rate per hour(Rs)	3.40
Standard hours for production	8,640
Standard rate per hour(Rs)	3
Actual hours worked	8,200

b) From the following calculate:

- 1.Labour Efficiency variance
 2. Labour Rate variance
 3. Labour Cost variance
- Standard hours per unit – 12 hours
 Standard rate – Rs. 5 per hours
 Actual production – 1600 units
 Actual hours – 19,800
 Actual rate – Rs.4.85 per hour

c) State the difference between the cost Accounting and Management Accounting.

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

a)

Particulars	Sales (Rs)	Profit (Rs)
Period 1	10,000	2000
Period 2	15,000	4000

You are required to calculate:

1. P/V Ratio
2. Fixed Cost.
3. Break even Sales volume.
4. Sales to earn a profit of Rs. 3000
5. Profit when sales are Rs. 8000.

b) From the following data, calculate break even point (BEP).

Particulars	Amount
Selling price per unit	20
Variable cost per unit	15
Fixed overheads	20,000

c) Explain the concept of Value chain analysis.

Q6) Solve any 1: 10Marks

a) From the following data given below, Prepare Process accounts for the year ended 30th June, 2014.

Particulars	Process 1	Process 2	Process 3
Materials	48620	108259	103345
Labour	32865	84553	77180
Expenses	2515	10588	16275
Normal loss	20%	15%	10%
Scrap value per unit	1	2	3
Output	18000	16000	15000
Units introduced @28 per unit	20000	-	-

b) From the following , calculate material variances and Labour variance:

Material – 2kgs @ Rs. 5 per kg

Labour – 4hrs @ Rs. 6 per hour

Actual production – 4,00,000units

Actual material used – 7,90,000kgs

Actual hours worked – 15,80,000hrs

Actual rate – For Material - Rs. 5.20per kg

For Labour – Rs. 6.40per hour.

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

a) Assume that you are the finance minister, then what are the things that you will do for the benefit of the commom peoples. Comment.

b) From the following information compute material variances:

Material	Standard		Actual	
	Kgs	Rate	Kgs	Rate
X	8000	1.05	7500	1.25
Y	3000	2.15	3300	2.25
Z	2000	3.30	2400	3.05

c)

Particulars	Amount(Rs)
Material sent to the site	3,00,000
Wages paid	4,40,000
Architect fees	55,500
Office expenses	1,51,000
Material at site at the end of the year	55,000
Uncertified work	10,000
Cash received from the contractee (being 90% of the work certified)	9,45,000
Materials destroyed by fire	5,000
Plant and machinery at cost (Date of purchase-1 st july, 2013. The estimated working life of the plant -10yrs and its scrap value at the end Rs. 20,000.)	2,00,000
Supervisors salary	60,000

You are required to calculate the Contract Account for the year ended 31st March, 2014.