Reg.No. \_\_\_\_\_\_\_\_\_\_\_\_\_



**End Semester Examination – Nov / Dec – 2019**

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| **Code :** | **18PA2012** | **Duration :** | **3hrs** |
| **Sub. Name :** | **COST ACCOUNTING – II** | **Max. Marks :** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

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| **Q. No.** | **Sub Div.** | **Questions** | **Course**  **Outcome** | **Marks** |
| 1. | a. | Given the following data for a factory:  Budgeted output 8,000 units  Fixed expenses Rs.40,000  Variable expenses per unit Rs.10  Selling Price per unit Rs.20  Draw a break-even chart showing Break- even point, profit area and loss area. | CO1 | 15 |
| b. | Point out the assumptions of break- even chart. | CO1 | 5 |
| **(OR)** | | | | |
| 2. |  | Assuming that cost structure and selling price remain the same in periods I and II, Find out:   1. Profit Volume ratio 2. Fixed Cost 3. Profit when sales are Rs.1,00,000 4. Sales required to earn a profit of Rs.20,000 5. Margin of safety   Period Sales Profit  I 1,20,000 9,000  II 1,40,000 13,000 | C02 | 20 |
|  |  |  |  |  |
| 3. |  | From the following data, calculate overhead variances:   1. Overhead cost variance 2. Overhead Expenditure variance 3. Overhead Volume variance 4. Overhead efficiency variance 5. Overhead capacity variance   Budgeted Actual  Fixed overheads. Rs10,000. Rs.10,140  production in units 5,000 5,200  working hours 20,000hrs. 20,100 hrs. | CO3 | 20 |
| **(OR)** | | | | |
| 4. | a. | From the following particulars calculate:   1. Material Cost Variance (b) Material Price Variance 2. Material Usage Variance  |  |  |  |  |  | | --- | --- | --- | --- | --- | | Material | Standard  Quantity(kg) | Standard  Price (Rs.) | Actual  Quantity(kg) | Actual  Price (Rs.) | | A | 10 | 2 | 5 | 3 | | B | 20 | 3 | 10 | 6 | | C | 20 | 6 | 15 | 5 | |  | 50 |  | 30 |  | | CO3 | 15 |
| b. | From the following Particulars calculate:   1. Labour cost variance 2. Labour rate variance   Standard Hours – 12,000 hrs.  Standard Rate – Rs.5 per hour  Actual Hours – 15,000 hrs.  Actual Rate- Rs.6 per hour | CO3 | 5 |
|  |  |  |  |  |
| 5. |  | A product passes through two processes. The output of process I becomes the input of process II and the output of Process II is transferred to warehouse. The quantity of raw materials introduced into process I is 20,000 kgs. at Rs.10 per Kg. The cost and output data in the month under review are as under:  Process I Process II  Direct materials Rs.60,000. Rs.40,000  Direct Labour Rs.40,000 Rs.30,000  Production overheads Rs.39,000 Rs.40,250  Normal loss 8% 5%  Output Rs.18,000. Rs.17,400  Loss realization of Rs. /unit 2.00 3.00  The Company’s policy to fix the selling price of the end product in such a way as to yield a profit of 20% on selling price.  Prepare the Process Accounts. | CO4 | 20 |
| **(OR)** | | | | |
| 6. | a. | Discuss the advantages and disadvantages of Zero- based budgeting. | C05 | 10 |
| b. | Describe the performance management information system. | C05 | 10 |
|  |  |  |  |  |
| 7. | a. | The following direct costs were incurred on Job of Standard Radio:  Material. Rs.6,010  Wages:  Depart: A -60 hrs@Rs.30 per hour  B -40 hrs@Rs.20 per hour  C-20 hrs@Rs.50 per hour  Overheads for these three departments were estimated as follows:  Variable overheads:  Department:  A Rs.15,000 for 1,500 labour hours  B Rs.4,000 for 200 labour hours  C Rs.12,000 for 300 labour hours  Fixed overheads: Estimated at Rs.40, 000 for 2,000 normal working hours.  You are required to calculate the total cost of Job. | C04 | 10 |
| b. | Distinguish between traditional costing method and activity-based costing. | C04 | 10 |
| **(OR)** | | | | |
| 8. |  | Write short notes on the following with suitable examples:  i) Target Costing  ii) Just-in-time | CO4 | 20 |
|  | | **Compulsory:** |  |  |
| 9. |  | From the information given below, calculate activity-based production costs of products P, R and S and comment on the differences between the original standard cost and the activity-based costs you calculated.  Standard Cost of the products  RS. Per unit   |  |  |  |  | | --- | --- | --- | --- | | Particulars | P | R | S | | Direct materials | 50 | 40 | 30 | | Direct labour @ Rs.10 per hour | 30 | 40 | 50 | | \*\*Production overheads | 30 | 40 | 50 | |  | 110 | 120 | 130 | | Quantity produced (units) | 10,000 | 20,000 | 30,000 |   \*\* Absorbed on the basis of direct labour hours.  The company wishes to introduce ABC system, and has identified two major cost pools for production overhead and their associated cost drivers.  Information on these activity cost pools and their drivers is give below:  Activity cost pool. Cost driver cost associated with  activity cost pool  Receiving /inspecting /  Quality assurance purchase requisition Rs.14,00,000  Production Scheduling/  Machine set-ups Number of Batches Rs.12,00,000  Further relevant information on the three products is given below:  **Particulars P R S**  Number of purchase requisition 1200 1800 2000  Number of set-ups 240 260 300 | CO4 | 20 |