



WEST BENGAL STATE UNIVERSITY
B.Com. Honours 4th Semester Supplementary Examination, 2021

FACACOR10T-B.COM. (CC10)

COST AND MANAGEMENT ACCOUNTING-II

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.
Candidates should answer in their own words and adhere to the word limit as practicable.
All symbols are of usual significance.*

GROUP-A

Answer any two questions from the following 10×2 = 20

1. X Ltd. sold goods for Rs. 30,00,000 in a year. The variable costs and fixed costs were Rs.6,00,000 and Rs. 8,00,000 respectively. 10
Calculate: a) P/V Ratio; b) Break-Even Sales; c) Break-Even sales if selling price was reduced by 10% and fixed costs were increased by Rs. 1,00,000.
2. Distinguish between Standard Costing and Budgetary Control. Briefly explain the importance of Standard Costing. 5+5
3. A manufacturing concern furnishes the following information: 10
Standard: Material for 70 kgs of finished product 100 kgs. Price of Material Rs. 1.00 per kg. Actual: Output- 2,10,000 kgs . Material used 2,80,000 kgs. Cost of Material Rs. 2,52,000. Calculate Material Variances.
4. Mention the differences between Joint Products and By Products. Briefly explain the features of Co-products. 6+4
5. Sarobar Ltd. furnishes from its cost records, the following details regarding the 20,000 components parts for its Hydro-State Machine: 10

Details	Rs.
Direct Materials Cost	6,00,000
Cost of Direct Labour	5,00,000
Direct Expenses	4,00,000
Factory Overheads [Of which 60% is fixed and the balance being variable]	12,00,000

From its market survey the company ascertains that one (bulk) supplier is ready to offer the requirement of the components at a price of Rs. 120 per unit. What is your suggestion about the make or buy the component parts by the company?

6. Write Short Notes: (any *two*) 5×2 = 10
- (a) Benefits of Cash Budget
- (b) Techniques of Marginal Costing
- (c) Difference between Tradition Costing and Activity Based Costing (ABC)

GROUP-B

Answer any *two* questions from the following

15×2 = 30

7. A factory is currently running at 50% capacity and producing 5,000 units @ Rs. 90 per unit as per the following details: 15

Particulars	Amount (Rs.)
Materials	40 per unit
Labour	25 per unit
Factory overhead	15 per unit (Rs. 5 fixed)
Administrative overhead	10 per unit (Rs. 5 fixed)

The current selling price is Rs. 100 per unit. At 60% working, the raw material cost per unit increases by 2% and selling price per unit falls by 2%. At 80% working, the raw material cost per unit increases by 5% and selling price per unit falls by 5%.

Calculate profit of the company at 60% and 80% working.

8. Graphically explain Break-Even Analysis with limitations. 12+3
9. From the following information, prepare a Cash Budget for the Quarter ending 30.06.2021. 15

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Other Expenses (Rs.)
Feb	1,20,000	84,000	10,000	7,000
March	1,30,000	1,00,000	12,000	8,000
April	80,000	1,04,000	8,000	6,000
May	1,16,000	1,06,000	10,000	12,000
June	88,000	80,000	8,000	6,000

Additional Information:

- (a) Cash in hand on 1.4.2021 Rs. 5,000.
- (b) Out of the total sales 20% is cash sales and the balance is received after one month.
- (c) Purchases are paid one month after.
- (d) Wages and other expenses are paid at a lag of one month.
- (e) Income Tax Rs. 25,000 is due on or before 30.6.2021.

10. ABC Company has two departments: Department I and Department II. The Company produces three products: A, B and C. The Cost per unit data of these products is as follows:

Details	A	B	C	Total
Units produced	1,00,000	2,00,000	30,000	
Direct Material per unit	Rs. 50	Rs. 40	Rs. 30	
Direct Labour per unit	Rs. 30	Rs. 40	Rs. 50	
Labour Hours per unit	3	4	5	
Machine Hours per unit	4	4	7	
No. of Purchase Requisitions	1,200	1,800	2,000	5,000
No. of Machine Set-Ups	240	260	300	800

Production overheads Rs. 26,00,000 are divided into two departments:

Department-I: Rs. 11,00,000 Department-II: Rs.15,00,000

Department-I is labour intensive and Department-II is machine intensive.

Total Labour Hours in Department-I = 1,83,333; Total Machine Hours in Department-II = 5,00,000, Production overheads Rs. 26,00,000 split by activity:

Receiving and Inspecting : Rs. 14,00,000

Machine Set-Ups : Rs. 12,00,000

Prepare Product Cost Statement under:

(a) Traditional Method (b) ABC Method and (c) Compare the results under two methods.

11. The following data are available from the records of XYZ Ltd. where standard costing is followed:

Actual output in the month of April, 2021	50,000 units
Actual wages paid	Rs. 1,25,000
Number of days worked in April, 2021	25 days
Idle time paid and included above	1 day
Number of workers	100
Standard wage rate	Rs. 40 per day
Standard daily output per worker	20 Units

Calculate (i) Labour Cost Variance (ii) Labour Rate Variance (iii) Labour Efficiency Variance and (iv) Labour idle-Time Variance

12. Write Short Notes: (Any *three*)

- Difference between Fixed Budget and Flexible Budget
- Limitation of Standard Costing
- Product Mix
- Advantages of Marginal Costing

N.B. : Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.

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