SVKM's NMIMS
School of Distance Learning

Programme : DFM / PGDFM

Academic year : 2012 – 2013
Subject: Cost and Management Accounting

Date: 14.07.2012

Semester : II
Course: New
Marks 70
Time: 11.00 a.m. to 2.00 p.m.

Instructions:

Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer book, which is provided for their use.

NB:

1. All 4 questions are compulsory.
2. Candidates should attempt questions as per the internal options available.

Q1 Write Short Notes on any two out of four **(10 Marks)**

a) Classification of overheads

b) Absorption of Overheads

c) Concept of 'Activity based Costing'

d) Factors influencing 'Pricing Decision'

Q2Attempt any two out of five **(10 Marks)**

a) Discuss objectives of 'CVP Analysis'

b) Short note on 'Limiting Factor'

c) The following particulars are available from costing records of a factory

Particulars	Per unit of Product A (Rs)	Per unit of Product B (Rs)
Direct material Rs. 20 per kg	80/-	320/-
Direct Labor @ Rs. 10 per hr	100/-	200/-
Variable overheads	40/-	80/-
Selling price	400/-	1,000/-

Total Fixed overheads Rs. 30,000/-

Comment on the profitability of each product during the following conditions:

(i) Inadequate supply of raw material
(ii) Product capacity is limited
(iii) Sales quantity is limited
(iv) Sales value limited

d) Short note on Budget

e) Types of Planning

Q3.<u>Attempt any three out of five</u> **(30 Marks)**

a) Marginal Costing V/s Absorption Costing

b) From the following information relating to Quick Standards Ltd. You are required to find out (i) PV ratio (ii) Break Even Point (iii) Margin of Safety (iv) volume of sales to earn profit of Rs.6,000/-

c) Important steps in Strategic Cost Management

d) Prepare a production Budget for three months ending March 31, 1996 for a factory manufacturing four different articles on the basis of the following information:

Types of the product	Estimated stock on Jan 1, 1996 (units)	Estimated sales during Jan-March 1996 (units)	Desired closing stock on March 31, 1996 (units)
AA	2,000	10,000	5,000
BB	3,000	15,000	4,000
CC	4,000	13,000	3,000
DD	5,000	12,000	2,000

e) Write short note on Zero- Based – Budget

Q4 a) Following information has been obtained from the records of left centre corporation for the period from June 1 to June 30, 1998 **(10 Marks)**

Particulars	Rs.
Cost of raw material on June a 1998	30,000/-
Purchase of raw materials during the month	2,30,000/-
Wages paid	92,000/-
Factory overheads	12,000/-
Cost of work in progress on June 1, 1998	15,000/-
Cost of raw material on June 30, 1998	60,000/-
Cost of stock of finished goods on June 30, 1998	55,000/-
Selling and distribution overheads	20,000/-
Sales	9,00,000/-
Administration overheads	30,000/-

Prepare a statement of cost.

b) In Process A 200 units of raw materials were introduced at a cost of **(10 Marks)**
Rs. 2,000/-. The other expenditure incurred by the process was Rs. 1,204/-. of the units introduced 10% are normally lost in the course of manufacture and they possess a scrap value of Rs. 3/- each. The output of Process A was only 150 units. Prepare process account A and abnormal loss account.

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