

NMIMS – GLOBAL ACCESS SCHOOL FOR CONTINUING EDUCATION

Programme: DRM/PGDRM/DFM/PGDFM

Examination: June 2015
Subject: Cost and Management Accounting

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

Date: 25.06.2015

Instructions

1. Answer to each new question to be started on fresh page.
2. Figures in the bracket indicate full marks.

Q1. Attempt any 2 out of 4

(Marks: 2X5=10)

- a) Define apportionment of overheads. What are the various methods available for apportioning the overheads?
- b) Discuss the various techniques of costing?
- c) Discuss in detail Cost- Volume Profit Analysis
- d) What are the factors influencing pricing decisions?

Q2. Write Short Notes on any 2 out of 5

(Marks: 2X5=10)

- a) Transfer pricing methods
- b) Balanced Scorecard
- c) Variable overhead variance
- d) Absorption Costing
- e) Breakeven point

Q3. Attempt any 3 out of 5

(Marks: 3X10=30)

- a) Discuss the methods to absorb the overheads.
- b) What are the key success factors for corporate performance measurement system?
- c) From the following particulars find the product mix which will yield the maximum profit.

Particulars	A	B
Selling price	₹ 100/ut	₹ 120/ut
Material Consumption	2 kg/ut	3kg/ut
Material cost	₹ 10/ut	₹ 15/ut
Wages	₹15/ut	₹ 10/ut
Direct Expenses	₹ Rs 5/ut	₹ 6/ut
Machine hours used	3hrs/ut	2hrs/ut
Variable expenses	₹ 15/ut	₹ 20/ut

Assume raw material as the key factor, the availability of which is 10000 kg. Maximum sales potential of each product is 3500 units. Also prepare a statement of Overall Profitability considering the selected product mix.

d) Following information is available from the records of A.

Particulars	₹
Fixed Expenses:	
Wages and Salaries	9,50,000
Rent	6,60,000
Depreciation	7,40,000
Administration expenses	6,50,000
Semi-variable Expenses (at 50% capacity)	
Maintenance and repairs	3,50,000
Indirect labour	7,90,000
Sales Department salaries	3,80,000
Administration salaries	2,80,000
Variable Expenses (at 50% capacity)	
Direct material	21,70,000
Direct Labour	20,40,000

Other Expenses	7,90,000
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The semi-variable costs remain constant between 45% to 65% of the capacity, increases by 10% between 65% to 80% of the capacity and by 20% between 80% to 100% of the capacity. Sales at 50% capacity level is 100 Lakhs
Prepare flexible budget at ,60%,75% and 90,% capacity levels.

e) Discuss in detail Activity Based Costing.

Q4. Attempt both questions

(Marks: 2X10=20)

a) The raw material required for making 10 kgs of product 'N' is given below:

Raw Material	Quantity (kg)	Rate per Kg (₹.)
A	8	6
B	4	4

During October, 2014 1,000 kg of product 'N' was produced. The actual consumption is as follows:

Raw Material	quantity (kg)	Rate per Kg (₹.)
A	750	7
B	500	5

Calculate:- All material variances of Raw Material A and B.

b) From the following details taken from the books of Mr. Kapish, prepare process accounts normal loss accounts and abnormal gain/loss accounts.

	Processes		
	A	B	C
Input: (500 Units) ₹.	2,000		
Other material ₹.	2,600	2,000	1,025
Wages ₹.	2,250	3,680	1,400
Production overheads 100% of direct labour	?	?	?
Output transferred to next process	100%	100%	100%
Sale of Scrap (per unit)	2	4	5
Normal Loss (% on input)	10%	20%	25%
Actual Output (Units)	450	340	270

Output of Process C is finally transferred to Finished Stock A/c.