

| Seat No. |  |
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**B.Com. (Semester - VI) (New) (CBCS) Examination Oct/Nov-2019**  
**ADVANCED COST ACCOUNTING (Paper – II)**

Day & Date: Friday, 25-10-2019  
Time: 03:00 PM To 05:30 PM

Max. Marks: 70

**Instructions:** 1) All questions are compulsory.  
2) Figures to the right indicate full marks.  
3) Use of calculator is allowed.

**Q.1 Fill in the blanks by choosing the correct alternatives given below: 14**

- 1) Difference between sales and marginal cost allowed is called \_\_\_\_\_.  
a) Variable cost                      b) Fixed cost  
c) Contribution                      d) Profit
- 2) \_\_\_\_\_ cost are pre - determined costs and relate to each elements of cost.  
a) Marginal                      b) Standard  
c) Capital                      d) Historical
- 3) Additional cost of producing one addition unit is called \_\_\_\_\_ cost.  
a) Standard                      b) Market  
c) Marginal                      d) Production
- 4) \_\_\_\_\_ is the most important tools of cost planning.  
a) Balance sheet                      b) Budget  
c) Cost unit                      d) Cost sheet
- 5) \_\_\_\_\_ budget shows the anticipated sources and utilization of cash.  
a) Fixed                      b) Variable  
c) Cash                      d) Capital
- 6) Variable cost is also called \_\_\_\_\_ cost.  
a) Period                      b) Product  
c) Opportunity                      d) None of these
- 7) Sales – Marginal cost = Fixed cost + \_\_\_\_\_.  
a) Net profit                      b) Variable cost  
c) Sank cost                      d) None of these
- 8) Break even point = \_\_\_\_\_.  
a)  $\frac{\text{Fixed Cost}}{\text{Profit}}$                       b)  $\frac{\text{Fixed Cost}}{\text{P/V Ratio}}$   
c)  $\frac{\text{Fixed Cost}}{\text{Sales}}$                       d)  $\frac{\text{Sales}}{\text{Fixed cost}}$
- 9) The difference between standard cost of Material and actual cost of material is called \_\_\_\_\_ cost variance.  
a) Labour                      b) Material  
c) Overhead                      d) None of these
- 10) Ideal time variance is always \_\_\_\_\_ variances.  
a) Favourable                      b) Adverse  
c) Positive                      d) No. variances

- 11) \_\_\_\_\_ Budget is consolidated summary of various functional budgets.  
a) Cash                                      b) Capital  
c) Master                                    d) Sales.
- 12) \_\_\_\_\_ is a document which contains all aspects of budgeting and their administration.  
a) Bin card                                  b) Material card  
c) Budget Manual                         d) Cost sheet
- 13) When sales Rs. 4,00,000 and p/v Ratio is 40%. Then the variable cost Rs. \_\_\_\_\_.  
a) 2,00,000                                  b) 2,40,000  
c) 1,60,000                                  d) 4,00,000
- 14) At Break Even Point marginal contribution is equal to \_\_\_\_\_.  
a) Profit                                      b) Fixed cost  
c) Variable cost                              d) Sales

**Q.2 Write short notes. (Any Two)**

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- Profit Volume Ratio
- Advantages of standard costing
- Types of Budgets

**Q.3 a)** Calculate Material Cost, Price and Qty variances.

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Standard data – Material 2000 kg. at Rs. 5 per kg.  
Actual data – Material 2200 kg. at Rs. 4.80 per kg.

**b) Calculate -**

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- i) P/V Ratio
- ii) Break Even Point
- iii) Margin of safety

Sales Rs. - 2,00,000

Marginal cost – Rs. 1,20,000

Fixed cost – Rs. 40,000

**Q.4** The standard data for the one unit of the product XYZ.

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Material – 10 kg. at Rs. 4.00 per kg.

Labour – 8 Hours at Rs. 1.50 per hour.

The actual data for 100 units of XYZ product.

Material – 900 kg. at Rs. 4.50 per kg.

Labour – 1000 hours at Rs. 1.20 per kg.

Calculate :

- i) Material cost, Rate and Qty Variance.
- ii) Labour cost, Rate and Efficiency variances.

**OR**

Prepare flexible Budgets for 8000 units and 10,000 units.

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Data are available for 6000 units of production.

## Particulars

For 6000 units

Rs.

- A) Variable Exp :-

- |             |   |        |
|-------------|---|--------|
| i) Material | - | 60,000 |
| ii) Labour  | - | 36,000 |

- B) Semi - Fixed Exp :-

- |                             |   |        |
|-----------------------------|---|--------|
| i) Factory Exp. (40% Fixed) | - | 24,000 |
| ii) Office Exp. (50% Fixed) | - | 18,000 |

- C) Fixed Exp :-

- |           |   |        |
|-----------|---|--------|
| i) Salary | - | 12,000 |
| ii) Power | - | 10,000 |

- Q.5** The competing companies RRR Comp. Ltd and MRR Comp. Ltd produce and sell the same type of product in the same market. The data for the year ended 31<sup>st</sup> Dec. 2017 **14**

| Particulars     | RRR Company Ltd. |              | MRR Company Ltd. |              |
|-----------------|------------------|--------------|------------------|--------------|
|                 | Rs.              | Rs.          | Rs.              | Rs.          |
| <b>Sales</b>    |                  | 3,00,000     |                  | 3,00,000     |
| Less:-          |                  |              |                  |              |
| Variable cost - | 2,00,000         |              | 2,25,000         |              |
| Fixed cost -    | 50,000           | (-) 2,50,000 | 25,000           | (-) 2,50,000 |
| <b>Profit</b>   |                  | 50,000       |                  | 50,000       |

You are calculate:

- A) i) P/V Ratio  
 ii) BEP  
 iii) Margin of safety of each business
- B) Explain giving reasons which business will earn greater profit in the condition of -  
 i) Heavy demand for the product.  
 ii) Low demand for the product.

**OR**

- Q.5** Calculate Material Cost Variance, Material Rate Variance and Material Qty Variance of X, Y and Z material. **14**

| Material   | Standard Data |          | Actual Data |             |
|------------|---------------|----------|-------------|-------------|
|            | Qty           | Rate per | Qty         | Rate per kg |
|            | (Kg)          | (Rs) kg  | (Kg)        | (Rs)        |
| Material X | 200           | 5        | 180         | 6           |
| Material Y | 300           | 6        | 250         | 8           |
| Material Z | 400           | 4        | 300         | 5           |