

Day : Wednesday

Time: 3.00 P.M. TO 6.00 P.M.

Date : 18/04/2018

S-2018-4202

Max. Marks: 80

N.B.:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Answers to both the sections should be written in **SAME** answer book.

## SECTION – I

**Q.1** What do you mean by 'Inter firm comparison'? Explain its advantages and disadvantages. [16]

OR

- a) Explain the concept of 'Zero Base Budget' (ZBB). [08]
- b) Explain different types of Material Variances. [08]

**Q.2** From the following details calculate, [16]

- a) Labour Cost Variance
- b) Labour Rate Variance
- c) Labour Efficiency Variance
- d) Labour Mix Variance

| Workers   | Standard |               |                 | Actual |               |                 |
|-----------|----------|---------------|-----------------|--------|---------------|-----------------|
|           | Hours    | Rate<br>(Rs.) | Amount<br>(Rs.) | Hours  | Rate<br>(Rs.) | Amount<br>(Rs.) |
| Skilled   | 30       | 5.00          | 150             | 32     | 5.00          | 160             |
| Unskilled | 40       | 4.00          | 160             | 32     | 4.25          | 136             |
| Total     | 70       |               | 310             | 64     |               | 296             |

OR

- a) Explain advantages of 'Uniform Costing'. [08]
- b) Explain concept of fixed budget and flexible budget. [08]

## SECTION – II

**Q.3** Indian cables Ltd., has prepared the following budget estimated for the year 2016-17. [16]

|                        |              |
|------------------------|--------------|
| Sales                  | Units 15,000 |
| Fixed Cost             | Rs. 34,000   |
| Sales Value            | Rs. 1,50,000 |
| Variable Cost per unit | Rs. 6        |

You are required to calculate,

- a) P/V Ratio, BEP (Sales) and Margin of Safety
- b) Also calculate the effect of the following:
  - i) decrease of 10% in selling price.
  - ii) increase of 10% in variable cost.

OR

- a) Define 'Marginal Costing'. State the advantages of Marginal Costing. [08]
- b) Explain the process of cost control. [08]

**Q.4** What do you mean by Cost Volume Profit Analysis? Explain its procedure. [16]

OR

- a) Explain Theory of Price. [08]
- b) Differentiate between Cost Control and Cost Reduction. [08]

**Q.5** Write short notes on **ANY FOUR** of the following: [16]

- a) Pareti Analysis
- b) Break Even Point
- c) Activity based costing
- d) Just – In – Time (JIT)
- e) Profit Volume Ratio
- f) Margin of Safety