

T.Y.B.COM. SEM – V (2014 COURSE) : WINTER - 2017

SUBJECT: COST AND MANAGEMENT ACCOUNTING- IV

Day: **Friday**
Date: **03/11/2017**

W-2017-0297

Time: **03.00 PM TO 05.00 PM**
Max. Marks: 40

N.B.:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.

Q.1 Define 'Marginal Costing'. Explain the advantages and disadvantages of Marginal Costing. **(10)**

OR

The following Data are obtained from the records of the company. **(10)**

Year	Sales Rs.	Profit Rs.
2014-15	4,00,000	50,000
2015-16	4,50,000	70,000

You are required to calculate:

- a) P/V Ratio
- b) Break- Even- Point
- c) Sales required to earn a profit of Rs. 95,000.
- d) The Profit made when sales are Rs. 60,000.

Q.2 Discuss the importance of the following in relation to Marginal Costing. **(10)**

- a) Break- Even Point
- b) Margin of safety
- c) Contribution
- d) P/V Ratio.

OR

You are given the following data for the year 2015 of ABC Ltd. **(10)**

Net Profit	1,00,000
Fixed cost	3,00,000
Sales	10,00,000
Variable cost	6,00,000

You are required to calculate:

- a) P/V Ratio
- b) Break- Even- Point
- c) Profit when sales amounted to Rs. 8,00,000.
- d) Sales to earn a profit of Rs. 1,00,000.

P. T. O.

Q.3 Define 'Budgetary Control'. What are its objectives? (10)

OR

Draw up a flexible budget for over head expenses on the basis of the following data and determine the overhead rates at 70%, 80% and 90% plant capacity. (10)

Particulars	At 80% capacity Rs.
<u>Variable Overheads:</u>	
Indirect Labour	12,000
Indirect material	4,000
<u>Semi –Variable Overheads</u>	
Power (30% fixed)	20,000
Repairs and Maintenance (60% fixed)	2,000
<u>Fixed Overheads:</u>	
Depreciation	1100
Insurance	3,000
Salaries	10,000
Total overheads	62,000
Estimated labour hours	1,20,000Hrs.

Q.4 Write short notes on any **TWO** of the following: (10)

- a) Purchase budget
- b) Key factor
- c) Objectives of cost audit
- d) Advantages of management information system

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