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Program:PGDM(RM) (Batch2018-20), Cost & Management accounting Sem-2 (End Term Exam)

K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH,

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Program:PGDM (RM) (Batch2018-20), Sem-2

Subject: Cost & Management accounting

(End term Examination)

MARKS- 50

Time-3 hours

Date:-07/01/2019

INSTRUCTIONS

1) Write your assumptions wherever necessary

Q.1) Ameya Ltd is manufacturing three different products A,B,C using the same raw materials. The following data of the company is available for analysis:-

Particulars	Product A	Product B	Product C
Materials per unit	Rs 40	Rs 50	Rs 64
DIRECT LABOUR			
Dept 1(@10/-per hour)	1 hour per unit	1.2 hour per unit	1.5 hour per unit
Dept 2(@12/-per hour)	0.5 hour per unit	1 hour per unit	1 hour per unit
Dept 3(@15/-per hour)	0.8 hour per unit	1 hour per unit	1.2 hour per unit
Variable overhead per unit	Rs 12	Rs 11	Rs 16
Selling Price per	Rs 100	Rs 130	Rs 175

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unit			
Current Annual Production (units)	30,000	40,000	25,000
Forecast of Sales(units)	50,000	40,000	30,000

1)Fixed overheads Rs 25 lakhs per annum.

Labour available in Department 2 is in short supply and cannot be increased.

Prepare the following statements:-

a)Statement of contribution and profit for all products

b) Statement of Profitability taking into account the present situation and the revised statements after the changes recommended by you. (15 MARKS)

Q.2))The following information relates to product A. Selling price per unit is 30/- variable cost is 10/- per unit and fixed overheads amount to Rs 1,80,000/-

Calculate

1)BEP in amount and units

2)Sales to earn a profit of Rs 60,000/- in value .Find the number of units required to be sold to achieve the above profit

3)Profit/loss if Sales are 15,000 units. (12Marks)

2)List down any four assumptions and limitations of BEP Analysis. (3 Marks)

Q.3) From the following details prepare statement of Equivalent production, statement of cost and find the value of output transferred and closing stock of

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Work in progress.(As Per Weighted Average cost Method).

Opening WIP	2000 UNITS
Materials (100% complete)	Rs 7500/-
Labour(60% complete)	Rs 3000/-
Overhead(60% complete)	Rs 1,500/-
Units introduced in this process	8000 units

There are 2000 units in the process and the stage of completion is estimated to be :Material 100% , Labour 50%,Overhead 50%,8000 units are transferred to next process.

The process costs for the period are Materials Rs 1,00,000/-,Labour Rs 78,000/- ,Overheads Rs 39,000/-

(10 MARKS)

Q.4) Write short notes for the following

a)Distinction between Fixed Budget and Flexible Budget

b) Explain ZBB(Zero based budgeting)

(10 MARKS)
