

# SOMAIYA

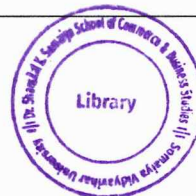
## VIDYAVIHAR UNIVERSITY

Dr. Shantilal K. Somaiya School of Commerce and Business Studies

### QUESTION PAPERS

<b>BRANCH: Bachelor of Commerce</b> <b>(Accounting &amp; Finance)</b>	<b>SEM: VI</b>
<b>ATKT</b>	<b>APR-2026</b>

Sr. No.	Subject	Available
1.	131U02C602 – Advanced Costing Techniques	
2.		
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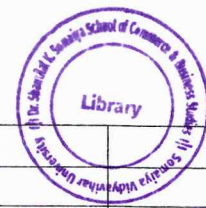
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<b>Semester End March 2024</b>		
<b>Examination: End Semester Examination April 2024 (UG Programmes)</b>		
<b>Programme code:</b> 02	<b>Class:</b> TYBAF	<b>Semester:</b> VI
<b>Programme:</b> Accounting and Finance		
<b>Name of the Constituent College:</b> S K Somaiya College		<b>Name of the Department:</b> Accounting and Finance
<b>Course Code:</b> 131U02C602	<b>Name of the Course:</b> Advanced Costing Techniques	
<b>Duration:</b> 2 Hrs.	<b>Maximum Marks:</b> 60	
<b>Instructions:</b>		
1) All Questions are compulsory. 2) Each Question carries 15 marks. 3) <b>Figures to the right indicate marks assigned to the questions.</b> 4) <b>Working notes should form part of your answer.</b>		

Q.No.		Max. Marks	Co Attainmen																																																								
Q.1	<p>ABC Ltd is a multiproduct company, manufacturing three products A, B and C. The Budgeted cost and production for the year ending 31<sup>st</sup> March are as follows:</p> <table border="1" style="margin-left: 20px; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">A</th> <th style="text-align: center;">B</th> <th style="text-align: center;">C</th> </tr> </thead> <tbody> <tr> <td>Production Quantity (Units)</td> <td style="text-align: center;">4000</td> <td style="text-align: center;">3000</td> <td style="text-align: center;">1600</td> </tr> <tr> <td>Resources per unit:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Direct Material (Kg.)</td> <td style="text-align: center;">4</td> <td style="text-align: center;">6</td> <td style="text-align: center;">3</td> </tr> <tr> <td>- Direct Labour (Minutes)</td> <td style="text-align: center;">30</td> <td style="text-align: center;">45</td> <td style="text-align: center;">60</td> </tr> </tbody> </table> <p>The Budgeted direct labour rate was ₹ 10 per hour and the budgeted material cost ₹ 2 per kg.                      Production overheads were budgeted at ₹ 99,450 and were absorbed to products using the direct labour rate. ABC Ltd followed the absorption Costing System.</p> <p>ABC Ltd is now considering to adopt an Activity Based Costing system. The following additional information is made available for this purpose.</p> <p>1. Budgeted Overheads were analysed into the following:</p> <table border="1" style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">₹</th> </tr> </thead> <tbody> <tr> <td>Material Handling</td> <td style="text-align: center;">29100</td> </tr> <tr> <td>Storage Costs</td> <td style="text-align: center;">31200</td> </tr> <tr> <td>Electricity</td> <td style="text-align: center;">39150</td> </tr> </tbody> </table> <p>2. The Cost drivers identified were as follows:</p> <table border="1" style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Material Handling</td> <td>Weight of Material handled</td> </tr> <tr> <td>Storage Costs</td> <td>Number of Batches of material</td> </tr> <tr> <td>Electricity</td> <td>Number of Machine Operation</td> </tr> </tbody> </table> <p>3. Data on Cost Drivers was as follows:</p> <table border="1" style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">A</th> <th style="text-align: center;">B</th> <th style="text-align: center;">C</th> </tr> </thead> <tbody> <tr> <td><b>For Complete Production:</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Batches of material</td> <td style="text-align: center;">10</td> <td style="text-align: center;">5</td> <td style="text-align: center;">15</td> </tr> <tr> <td><b>Per unit of Production:</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Number of Machine Operations</td> <td style="text-align: center;">6</td> <td style="text-align: center;">3</td> <td style="text-align: center;">2</td> </tr> </tbody> </table> <p>You are requested to:</p> <p>1) Prepare a Statement for management showing the unit costs and total costs of each product using the absorption costing.</p>		A	B	C	Production Quantity (Units)	4000	3000	1600	Resources per unit:				- Direct Material (Kg.)	4	6	3	- Direct Labour (Minutes)	30	45	60		₹	Material Handling	29100	Storage Costs	31200	Electricity	39150			Material Handling	Weight of Material handled	Storage Costs	Number of Batches of material	Electricity	Number of Machine Operation		A	B	C	<b>For Complete Production:</b>				Batches of material	10	5	15	<b>Per unit of Production:</b>				Number of Machine Operations	6	3	2	<b>(15)</b>	CO5
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	2) Prepare the statement for management showing the product cost of each product using the ABC approach.																																										
<b>OR</b>																																											
Q.1.	A department company, Gunjal stores attains a sales of ₹12,00,000 at 80% of its Normal capacity and as expenses are given below:	(15)	CO1																																								
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	Draw up Flexible Budget for Administration, Selling and Distribution Costs Budget Operating 90%, 100% and 110% of Capacity.																																										
Q.2.	The Jaywant Battery Co. furnishes you with the following income information:	(15)	CO2																																								
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	From the above, you are asked to compute the following assumption that the fixed cost remains the same in both periods.																																										
	1) Profit Volume Ratio                      2) Fixed Cost                      3) Break-even Point																																										
	4) Amount of Profit or loss when sales are ₹ 6,48,000																																										
	5) Amount of Sales required to earn a profit of ₹1,08,000																																										
<b>OR</b>																																											
Q.2.	Following information is available:	(15)	CO3																																								
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	Total Fixed overheads ₹20,000/-																																										
	From the following alternatives which sales mixed will bring higher profits:																																										
	(a) 250 Units of 'X' and 150 Units of 'Y'.																																										
	(b) 150 Units of 'X' and 250 Units of 'Y'.																																										
	(c) 400 Units of 'X' only.																																										
	(d) 400 Units of 'Y' only.																																										
	(e) 200 Units of 'X' and 200 Units of 'Y'.																																										
	Support your answer with working																																										
Q.3.	From the following data, compute the material cost variance:	(15)	CO4																																								
	<table border="1"> <thead> <tr> <th rowspan="2">Product</th> <th colspan="2">Standard</th> <th colspan="2">Actual</th> </tr> <tr> <th>Units</th> <th>Rate ₹</th> <th>Units</th> <th>Rates ₹</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>3,500</td> <td>10</td> <td>3,700</td> <td>12</td> </tr> <tr> <td>B</td> <td>1,500</td> <td>21</td> <td>1,650</td> <td>20</td> </tr> </tbody> </table>	Product	Standard		Actual		Units	Rate ₹	Units	Rates ₹	A	3,500	10	3,700	12	B	1,500	21	1,650	20																							
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	C	1,000	33	1,250	36																
<b>OR</b>																					
Q.3.	In department 'A' of a plant the following data are submitted for the week ended 31 <sup>st</sup> March, 2023. Standard Output for 40 hours per week 1,400 units Budgeted Fixed Overheads ₹ 1,400 Actual output 1,200 units Actual Hours worked 32 hours Actual fixed Overheads ₹ 1,500 You are required to calculate Fixed Overhead Variances					(15)	CO4														
Q.4.	Answer the following:					(15)															
(a)	Explain the disadvantages of Uniform Costing.					(03)	CO5														
(b)	A customer produces and sells 100 units of Product A per month at ₹ 20. Variable cost per unit is ₹ 12.00 and Fixed Cost are ₹ 300 per month. It is proposed to reduce the selling price by 20%. Find the additional sales required to earn the same profit as before.					(03)	CO2														
(c)	A Company manufactures two product X and Y. The contribution per unit is ₹40 and ₹30 respectively. Product X requires 10 hours per unit and Product Y 6 hours per unit. If material requirement is the limiting factor and Product X requires 16 kg per unit and Product Y requires 15 kg per unit. Find the most profitable product?					(03)	CO3														
(d)	From the following Information:					(03)	CO4														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Product</th> <th colspan="2">Budgeted</th> <th colspan="2">Actual</th> </tr> <tr> <th>Units</th> <th>Rate ₹</th> <th>Units</th> <th>Rates ₹</th> </tr> </thead> <tbody> <tr> <td>X</td> <td>4,500</td> <td>10</td> <td>4,800</td> <td>11</td> </tr> </tbody> </table>								Product	Budgeted		Actual		Units	Rate ₹	Units	Rates ₹	X	4,500	10	4,800	11
Product	Budgeted		Actual																		
	Units	Rate ₹	Units	Rates ₹																	
X	4,500	10	4,800	11																	
(e)	Calculate Material Price Variance					(03)	CO5														
(e)	Explain the Benefits of Interfirm Comparison.					(03)	CO5														