

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

Vidyavihar, Mumbai- 400077

Program:PGDM(RM) (Batch2017-19), Sem-2

Subject: Cost &Management accounting

(End term Examination)

MARKS- 50

Time-3 hours

Date:-02/01/2018

INSTRUCTIONS

- 1) Write your assumptions wherever necessary

Q.1) Prepare a Cash Budget for three months ending 30 June 2017.

Months	Sales(Rs)	Materials(Rs)	Wages(Rs)	Overheads(Rs)
February	14,000	9,600	3,000	1,700
March	15,000	9,000	3,000	1,900
April	16,000	9,200	3,200	2000
May	17,000	10,000	3,600	2,200
June	18,000	10,400	4,000	2,300

Credit terms are as follows:-

1)Sales and Debtors-10% of sales are on cash basis,50% of credit sales are collected in next month and the balance in the following month.

2) Creditors -Materials 2 months

3) Wages - ¼ month of Wages collected in same month and balance in next month.

4) Overheads paid 50% in the same month and Balance in next month

5) Opening cash balance for the month of April is Rs 16,000/-.

6) Plant and Machinery installed at Rs 96,000/-.The monthly instalment of Rs 2,000/- payable from April onwards.

7) Advance received Rs 9,000/- on sale of vehicle in June.

(15 MARKS)

Q.2) ABC.CO.LTD is engaged in the manufacture of a single product which passes through two processes .The details relating to the month are given below :- (10 MARKS)

Particulars	Process 1	Process2
Materials introduced(Units)@11/- per unit	10,000	
Transferred to next process	9,000	8,600
Materials introduced	1,20,000	9,400
Labour	27,600	18,200
Overheads	12,000	10,000
Normal Loss	5%	5%
Scrap value	Rs 3/- per unit	Rs 4/- per unit

1. Prepare Process 1 and process 2 A/c and Abnormal loss /abnormal gain A/c.

Q.3)Write short notes on any THREE

(15 MARKS)

1) Features of Process costing

2) Zero base Budgeting

3)Different types of Budgets.

4) Difference between Direct Costing and Absorption Costing

5) Difference Between Job Costing and Process Costing

Q.4) AB LTD produces watches .It requires skilled labour and they are paid @ 15/- per hour. The total number of skilled labour hours are 14000 hours in a year.

The details of planned production for 2016-17, estimated cost and selling price are as follows:

Type	Production Planned units	Material cost per unit	Labour cost per unit	Fixed overhead per unit	Selling price per unit
A	3,000	20	10	15	70
B	4,000	24	12	18	92
C	4,000	32	12	18	95
D	3,000	40	16	24	110
E	2,400	60	20	30	180

a) Find the estimated Profit as per the Production Planned.

b) Find the Estimated Profit for the revised Product Mix.

(10MARKS)