

Reg. No

Name

19P4009

M. COM DEGREE END SEMESTER EXAMINATION - MARCH/APRIL 2019

SEMESTER 4 : COMMERCE

COURSE : 16P4COMT16EL : ADVANCED COST ACCOUNTING

(For Regular - 2017 Admission and Supplementary - 2016 Admission)

Time : Three Hours

Max. Marks: 75

Section A

Answer any 10 (2 marks each)

1. What is Equivalent production?
2. What is abnormal effective?
3. What you mean by Contribution?
4. What is meant by Key factor?
5. What is profit planning?
6. What is Flexible budget?
7. What is budget centre?
8. What is variance?
9. What is Calendar variance?
10. What is Ideal standard?
11. What is Non –Integrated accounting?
12. What is stores control account?

(2 x 10 = 20)

Section B

Answer any 5 (5 marks each)

13. Define joint product and by product. Give two examples of each
14. Prepare a statement of equivalent production, statement of cost, process account from the following information using average costing method.
Opening Stock 50000 Units
Material Rs. 25000
Labour Rs. 10000
Overheads Rs. 25000
Units Introduced 2000000 Units
Material Rs. 100000
Wages Rs. 75000
Overheads Rs. 70000
During the period 1,50,000 units were completed and transferred to Process II. Closing stock 1,00,000 units. Degree of completion. Material 100% Labour 50% Overheads 40%
15. Explain the importance of angle of incidence.

20. From the following information, you are requested to prepare necessary accounts and trial balance under the system of integrated accounts in the books of XYZ Co.Ltd.

Material purchased on credit	29,600
Wages paid	33,600
Wages productive	29,600
Wages unproductive	4,000
Materials issued to production	25,600
Works expenses incurred	13,000
Finished goods at cost	60,000
Works expenses charged to production	17,200
Administration expenses paid	8,800
Administration expenses charged to production	8,700
Selling overheads paid and charged to sales	9,000
Cash sales	78,000

(5 x 5 = 25)

Section C

Answer any 3 (10 marks each)

21. The product of a company passes through 3 distinct process. The following information is obtained from the accounts for the month ending January 31, 2018.

Particulars	Process – A	Process – B	Process – C
Direct Material	7800	5940	8886
Direct Wages	6000	9000	12000
Production Overheads	6000	9000	12000

3000 units @ Rs. 3 each were introduced to process – I. There was no stock of materials or work in progress. The output of each process passes directly to the next process and finally to finished stock A/c.

The following additional data is obtained :

Process	Output	Percentage of Normal Loss to Input	Value of Scrap per unit (Rs.)
Process – I	2850	5 %	2
Process – II	2520	10 %	4
Process – III	2250	15 %	5

Prepare Process Cost Account, Normal Cost Account and Abnormal Gain or Loss Account.

22. An automobile manufacturing company finds that while the cost of making in its own workshop part No.0038 is Rs.6.00 each, the same is available in market at Rs 5.60 with an assurance of continuous supply. Write a report to the Managing Director giving your views whether to make or buy this part. Give also your views in case the suppliers reduce the price from Rs 5.60 to Rs 4.60. The cost data is as follows:

	Rs
Materials	2.00
Direct Labour	2.50
Other variable costs	0.50
Depreciation and other fixed costs	1.00

23. What do you mean by 'Principal Budget Factor'? Explain with illustrations.
24. RR& Co. Ltd. manufacture a simple product the standard mix of which is:
 Material x 60% at Rs. 20 per kg
 Material x 40% at Rs. 10 per kg
 Normal loss in production is 20% of input. Due to shortage of material X, the standard mix was changed. Actual results for March 2003 were :
 Materials X 105 Kg at Price 20 per Kg
 Materials Y 95 Kg at Price 3 per Kg
 Input 200 Kg
 Loss 35 Kg
 Output 165 Kg
 Calculate:
 (1) Material price variance
 (2) Material usage variance
 (3) Material mix variance and
 (4) Material yield variance
25. From the following informations calculate (a) Calendar Variance (b) Capacity Variance (c) Efficiency Variance and (d) Volume Variance:
 Actual Overheads Rs. 1,800
 Budgeted Overheads Rs. 2,000
 Budgeted period 4,000 labour hours
 Standard hours per unit 10 labour hours
 Budgeted number of days 20
 Standard overhead per hour Re. 0.50
 Actual number of days 22
 Actual hours 4,300
 Actual production 425 units.

(10 x 3 = 30)