

2022

COST AND MANAGEMENT ACCOUNTING – II — GENERAL

Paper : CC-4.2 Cg

Full Marks : 80

Candidates are required to give their answers in their own words
as far as practicable.

প্রাপ্তলিখিত সংখ্যাগুলি পূর্ণমান নির্দেশক।

বিভাগ - ক

১। নিম্নলিখিত তথ্য থেকে Break-even বিক্রি নির্ধারণ করো :

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Year	Sales (₹)	Profit (₹)
2020	3,00,000	20,000
2021	4,00,000	30,000

২। কার্যকলাপভিত্তিক পরিব্যয় নির্ণয় পদ্ধতির সুবিধাগুলি উল্লেখ করো।

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অথবা,

Joint Product-এর মধ্যে Joint Cost ভাগ করে দেওয়ার যে-কোনো দুটি পদ্ধতি সংক্ষেপে ব্যাখ্যা করো।

৩। একটি নির্মাণকারী কোম্পানি নীচের তথ্যগুলি প্রদান করেছে :

	Product - A	Product - B
Cost per unit (₹) :		
Direct materials cost	20	25
Direct labour cost (Re. 1 per hour)	10	15
Variable overhead (100% of direct labour)	—	—
Fixed overhead – ₹ 10,000 p.a.		
Selling price per unit	60	100

তোমাকে প্রতিটি দ্রব্যের Marginal Cost দেখিয়ে একটি বিবরণী প্রস্তুত করতে হবে এবং নীচের কোন বিক্রয় মিশ্রণ তুমি প্রস্তাব করবে :

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(ক) 900 একক Product-A এবং 600 একক Product-B

(খ) শুধু 1,800 একক Product-A

(গ) শুধু 1,200 একক Product-B

Please Turn Over

[English Version]

The figures in the margin indicate full marks.

Group - A

1. From the following information, calculate Break-even Sales : 5

Year	Sales (₹)	Profit (₹)
2020	3,00,000	20,000
2021	4,00,000	30,000

2. State the advantages of Activity Based Costing. 5

Or,

Briefly explain any two methods of apportionment of joint costs to joint products.

3. A manufacturing company provides the following information :

	Product - A	Product - B
Cost per unit (₹) :		
Direct materials cost	20	25
Direct labour cost (Re. 1 per hour)	10	15
Variable overhead (100% of direct labour)	—	—
Fixed overhead – ₹ 10,000 p.a.		
Selling price per unit	60	100

You are required to prepare a statement showing the marginal cost of each product and recommend which of the following sales mix should be adopted : 10

- (a) 900 units of Product - A and 600 units of Product - B;
 (b) 1800 units of Product - A only;
 (c) 1200 units of Product - B only.

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Or,

A manufacturing company finds that while it costs ₹ 12.00 to make a component — 'C', the same is available in the market at ₹ 11.00 each, with an assurance of continued supply.

The cost is made up of :

Materials	₹ 6.00
Labour	₹ 3.00
Other variable costs	₹ 1.00
Depreciation and other fixed cost	₹ 2.00
	<u>₹ 12.00</u>

- (a) Should the company make or buy the component?
 (b) What would be your opinion, if the supplier offered the component at ₹ 9.60 each? 10

4. From the following information calculate :

- (a) P/V ratio
 (b) Break-even sales
 (c) Break-even sales if selling price was reduced by 10% and fixed costs were increased by ₹ 90,000.

Sales value	–	₹ 25,00,000	
Variable costs	–	₹ 5,00,000	
Fixed costs	–	₹ 4,00,000	3+3+4

Group - B

5. Prepare a Cash Budget for three months ended on 30.09.2022. 10

Expected cash in hand and at Bank ₹ 50,000 on 01.07.2022.

Monthly Salaries and Wages : ₹ 20,000

Interest Payable in August : ₹ 10,000

Estimated	June	July	August	September
Cash Sales (₹)	2,40,000	2,80,000	3,04,000	2,42,000
Credit Sales (₹)	2,00,000	1,60,000	2,80,000	2,40,000
Purchases	3,20,000	3,40,000	4,80,000	3,60,000
Expenses	36,000	40,000	44,000	40,000

- (a) Credit Sales are collected 50% in the month of Sales and 50% in the following month.
 (b) 10% of the purchases are in Cash and balance is paid in the next month.
 (c) Wages and Salaries and expenses are payable within the month.

(7)

W(4th Sm.)-Cost & Mgmt. Acct.-II-GICC-4.2 Cg/CBCS

Or,

The following information relating to the Budget prepared for two levels of capacity utilization is given below :

Capacity	60%	100%
Output (units)	36,000	60,000
	₹	₹
Direct materials	3,60,000	6,00,000
Direct wages	2,16,000	3,60,000
Production overhead	5,40,000	7,56,000
Administrative overhead	1,80,000	1,80,000
Selling overhead	1,44,000	1,92,000

Prepare a flexible budget for 80% and 90% capacity utilization. 10

6. Write short notes on : 5×2
- (a) CVP analysis
 - (b) Variance analysis

Group - C

7. While manufacturing the main Product X, a company produces two By-products B₁ and B₂. Using the method of working back from sales value to an estimated cost, you are required to prepare a comparative Profit and Loss Statement of the three products from the following data : 15

(a) Total costs up to the split-off/separation ₹ 2,72,000.

	X	B ₁	B ₂
(b) Sales (all production)	₹ 6,56,000	₹ 64,000	₹ 96,000
(c) Costs after separation		₹ 19,200	₹ 28,800
(d) Estimated profits percentages to sales values		20%	30%
(e) Estimated selling expenses (as a percentage of sales value)	20%	20%	20%

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Or,

An oil refining company obtains 4 products whose costs details are as under :

Joint costs of the 4 products : ₹ 8,29,600

Output : A – 4,00,000 Ltr.

B – 8,000 Ltr.

C – 4,000 Ltr.

D – 7,200 Ltr.

Further processing costs : A – ₹ 2,10,000

B – ₹ 46,000

C – NIL

D – ₹ 20,000

The products can be sold as intermediates, i.e. at split-off point without further processing. The sales price are :

	<u>As Finished Product</u>	<u>As Intermediate</u>
A (per ltr.)	₹ 2.30	₹ 1.50
B (per ltr.)	₹ 10.00	₹ 5.00
C (per ltr.)	₹ 8.00	₹ 8.00
D (per ltr.)	₹ 33.35	₹ 30.00

Calculate the productwise profit allocating joint costs on the basis of sales value at separation and compare the profitability in selling the products with and without further processing. 15

8. (a) From the following information, determine the

(i) Labour cost variance

(ii) Labour efficiency variance

(iii) Labour rate variance.

- Standard labour cost per unit of production is ₹ 15.
- Time allowed per unit is 30 hours.
- During the month of March, 3,000 units are produced in 75,000 hours.
- Actual payment of wages for the month is ₹ 45,000.

(b) Distinguish between Standard Costing and Budgetary Control.

10+5