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SEAT No. :

PA-1877

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T.Y. B.Com. (Semester - VI)

**COST & WORKS ACCOUNTING (Special Paper - III)**

**Techniques of Cost Accounting & Cost Audit**

**(2019 Pattern) (366 (E))**

*Time : 2½ Hours]*

*[Max. Marks : 50*

*Instructions to the candidates:*

- 1) *All questions are compulsory.*
- 2) *Figures to the right indicate full marks.*

**Q1) A) Fill in the blanks (attempt any 5) : [5]**

- i) When actual cost exceeds the standard cost the difference is termed as \_\_\_\_\_ variance.
  - a) Adverse
  - b) Favourable
  - c) Balance
- ii) Pricing under abnormal conditions is made usually at \_\_\_\_\_ price.
  - a) increased
  - b) reduced
  - c) moderate
- iii) \_\_\_\_\_ standard deals with principles & methods of determining the material cost.
  - a) CAS - 3
  - b) CAS - 7
  - c) CAS - 6
- iv) Efficiency Audit is also called as \_\_\_\_\_ audit.
  - a) profitability
  - b) financial
  - c) agriculture

**P.T.O.**

- v) Cost Audit is concerned with the verification of the correctness of \_\_\_\_\_ accounts.
- Financial
  - Cost
  - Management
- vi) Material price variance (MPV) = \_\_\_\_\_.
- $(SQ - AQ) \times SP$
  - $(AP - SP) \times AQ$
  - $(SP - AP) \times AQ$

B) Match the following : [5]

- | Group - A                    | Group - B                         |
|------------------------------|-----------------------------------|
| i) Competitive Based Pricing | a) Origin in Japan                |
| ii) Elements of Cost         | b) Appointed by Central Govt.     |
| iii) Target Costing          | c) Driven by Competitor's Price   |
| iv) Cost Auditor             | d) Information Technology         |
| v) IT                        | e) Material, Labour and Overheads |

**Q2) Short Notes (Any 2) :** [10]

- Advantages of Standard Costing
- CAS - 6
- Types of Cost Audit
- Difference between Cost Based Pricing and Value Based Pricing.

**Q3) a) From the following information you are required to calculate** [8]

- Material cost variance
- Material price variance
- Material usage variance
- Also verify the results

Material	Standard		Actual	
	Quantity	Rate per kg ₹	Quantity	Rate per kg ₹
C <sub>2</sub>	800	6	750	7
D <sub>1</sub>	400	4	500	5

- b) From the following cost data made available by Anent chemicals, Aurangabad, calculate [7]
- Labour Cost Variance
  - Labour Rate Variance
  - Labour Efficiency Variance
  - And Verify the Results.

Category of Labour	Standard		Actual	
	Hours	Rate per Hrs.	Hours	Rate per Hour
Untrained	1000	0.75	1100	0.80
Trained	500	1.25	400	1.20

- Q4) a) Following cost & price details of a product of Indio Ltd is available for the year 2021-2022 [8]

You are require to calculate the effect of reduction in market price by 25% on :

- P/v Ratio
- Break even point in Rupees

Production and sales	Units	5,000
Selling price per unit	₹	200
Marginal cost per unit (variable cost)	₹	100
Total Fixed Cost	₹	2,00,000

- b) State the Advantages of Cost Audit. [7]

