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SEAT No. :

P5936

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[6142]-622

T.Y.B.Com.

COST AND WORKS ACCOUNTING - III

**366 (E) : Techniques of Cost Accounting and Cost Audit
(2019 CBCS Pattern) (Semester -VI)**

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

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

Q1) A) Fill in the blanks (Attempt Any 5) [5]

- a) Standard cost is a carefully _____ cost which is prepared for each cost unit.
 - i) Predetermined
 - ii) Absorbed
 - iii) Apportioned
- b) Target costing = Selling price (-) _____.
 - i) Cost
 - ii) Revenue
 - iii) Profit margin
- c) Time _____ is done to ascertain Labour cost.
 - i) Records
 - ii) Booking
 - iii) Controlling
- d) _____ standard deals with the principles and methods of determining the material cost.
 - i) CAS - 6
 - ii) CAS - 7
 - iii) CAS - 3
- e) Cost Accounting Records, both monetary and _____ units.
 - i) Physical
 - ii) Cost
 - iii) Both (i) and (ii)

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- f) XBRL is used by _____.
- i) Government
 - ii) Accountants
 - iii) Both (i) and (ii)

B) Match the following.

[5]

- | Group A | Group B |
|--------------------------------|--|
| a) CAS - 7 | i) Profitability Audit |
| b) High price and high profits | ii) Employee cost |
| c) Cost Audit | iii) Skimming Pricing |
| d) Maximum support price (MSP) | iv) Verification and correctness of cost Records |
| e) Efficiency Audit | v) Introduced by Government to support farmers |

Q2) Write short notes on the following (Any 2)

[10]

- a) Advantages of standard costing.
- b) Pricing Policy.
- c) Idle Time.
- d) Cost Records.

Q3) a) From the following cost data available by Bajaj Limited, Compute the following material variances. [8]

- i) Material cost variance
- ii) Material price variance
- iii) Material usage variance
- iv) Also verify your results

The standard cost shows the following details relating to the materials needed to produce one kg of chemical

Quantity of chemical Required	:- 3kg
Price of chemical	:- Rs 2.50 per kg
Actual production Data	:-
Production during the week	:- 1000 kg
Quantity used	:- 3500kg
Price of chemical per kg	:- Rs 3

b) From the following details calculate, [7]

- i) Labour cost variance
- ii) Labour Rate variance
- iii) Labour Efficiency variance
- iv) Also verify your results

The standard time for unit component X are given below

Standard Hours per unit	:- 15 Hours
Standard Rate	:- Rs 4 per Hour

The actual data and related information are as under:

Actual Production	:- 1000 units
Actual Hours	:- 15300 Hours
Actual Rate	:- Rs 3.90 per Hour

Q4) a) Femina limited produces certain consumer product which has the marginal cost and selling price **[8]**

structure as follows :-	Rs.
Direct material cost	40
Productive wages	10
Variable works overheads	04
Market price	90

During the current year 2021-22, total turnover are expected to be Rs .13,50,000 with a fixed Administration and selling overheads amounting to Rs. 1,40,000.

From the beginning of the next year, it is expected that

- i) Direct materials cost to increase by 7.5%
- ii) Productive wages to increase by 10%
- iii) Variable works overheads to increase by 50%
- iv) Fixed Administration and selling overheads to increase by Rs 6000/-

You are required to calculate :-

- 1) The new selling price if the current p/v ratio is to be maintained and
- 2) The number of units to be sold during the next year to yield the similar profit as per the current year assuming that the selling price to remain Rs 90/- only

b) Write the objectives of cost Audit **[7]**

