

Total No. of Questions : 4]

SEAT No. :

PB1397

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T.Y. B.Com.

COST & WORKS ACCOUNTING - III

**366(e) : Techniques of Cost Accounting and Cost Audit
(2019 Pattern) (CBCS) (Semester - VI) (special paper-III)**

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.
- 3) Use of a simple calculator is allowed.

Q1) A) Fill in the blanks with the appropriate term from the given options (any five) [5]

- a) Idle Time Variance = Idle Time x _____ (Actual Rate, Standard Rate, Idle Rate)
- b) Material Usage Variance = Material Mix Variance + _____ (Material Cost Variance, Material Price Variance, Material Yield Variance)
- c) _____ pricing is a strategy for pricing goods based on its perceived value rather than on its historical price. (Cost -based, Value -based, Competition - based)
- d) Discarded material having no significant value which is usually disposed off without further treatment is known as _____ (Rejects, Scrap, Defective)
- e) Section _____ of Companies Act 2013 deals with maintenance of costing records (148, 140, 130)
- f) Under _____ Pricing Policy a higher price is charged for a product or service on account of competitive advantage (Penetrating, Economy, Price Skimming)

B) Match the following [5]

Column A	Column B
a) CAS 7	i) Emotional Base
b) Variance	ii) Maximum Level of Efficiency
c) Psychological Pricing	iii) Employee Cost
d) Ideal Standard	iv) Actual Cost - Standard Cost
e) Price Floor Ceiling	v) Minimum Selling Price

P.T.O.

Q2) Write short notes (any two)

[10]

- a) Types of Standards
- b) Cost Accounting Standard 6 (CAS-6) Material Cost
- c) Target Costing
- d) Rights and duties of a Cost Auditor

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

- i) Material Cost variance,
- ii) Material Price Variance,
- iii) Material Quantity Variance
- iv) Verification of the calculation of the variances

Material	Standard		Actual	
	Quantity (kgs)	Rate(₹)	Quantity (kgs)	Rate(₹)
X	75	20	60	30
Y	25	20	40	10
Total	100		100	

b) From the information given below you are required to calculate **[7]**

- i) Labour Cost Variance
- ii) Labour Rate Variance
- iii) Labour Efficiency
- iv) Idle Time Variance

Given:

- 1) Standard Hours = 1,500 hours
- 2) Standard Rate per hour = ₹150
- 3) Actual Rate = ₹130
- 4) Actual Hours (Total) = 1,400 hours
- 5) Idle Time (hours not worked due to abnormality) = 10 hours

Q4) a) Aplha Ltd. produces and sells 1,500 units per month at a selling price of Rs. 30/- per unit with a variable cost of Rs. 15/- per unit and a fixed cost of Rs. 7,500/-. The management has proposed to reduce the selling price to Rs. 25/- per unit under normal condition to gain a competitive advantage.

You are required to calculate the amount of additional sales to earn an additional profit of Rs. 5,000/- as compared to the current profit. [8]

b) What is a Cost Audit? Explain advantages of Cost Audit? [7]

