

Total No. of Questions : 4]

SEAT No. :

PD-973

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T.Y. B.Com.

**366(e) : COST & WORKS ACCOUNTING - III**  
**Techniques of Cost Accounting and Cost Audit**  
**(2019 Pattern) (CBCS) (Semester - VI)**

*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]**

- i) Standard Costing is primarily used to measure \_\_\_\_\_.  
(Actual Cost, Variances, Fixed Cost)
- ii) Value-based pricing is determined by \_\_\_\_\_.  
(Perceived Customer Value, Government Regulations, Competitor's Production Cost)
- iii) CAS-6 deals with the accounting of \_\_\_\_\_.  
(Labour Cost, Material Cost, Overhead Cost)
- iv) Cost records must be maintained under Section \_\_\_\_\_ of the Companies Act 2013. (148, 125, 162)
- v) The difference between Actual Labour Cost and Standard Labour Cost is called \_\_\_\_\_.  
(Material Variance, Labour Variance, Overhead Variance)
- vi) A Skimming Pricing Strategy is used when launching a product with \_\_\_\_\_.  
(Low Market Demand, High Initial Prices, Low Profit Margins)

*P.T.O.*

B) Match the Following :

[5]

Column A	Column B
i) Standard Costing	a) Examination of cost records
ii) Cost-Based Pricing	b) Employee Cost
iii) CAS-7	c) Submitted in XBRL format
iv) Cost Audit	d) Price based on production costs
v) Cost Audit Report	e) Comparison of standard and actual costs

Q2) Write Short Notes (any two) :

[10]

- Types of Standards
- Cost-Based Pricing and Valued Based Pricing
- Objectives of Cost Accounting Standards
- Advantages of Cost Audit to the Management

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

- Material Cost variance,
- Material Price Variance,
- Material Quantity Variance
- Verification of the calculation of the variances

Material	Standard		Actual	
	Quantity (kgs)	Rate (₹)	Quantity (kgs)	Rate (₹)
A	10	150	8	130
B	5	180	7	170
Total	15		15	

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

1. Labour Cost Variance
2. Labour Rate Variance
3. Labour Efficiency
4. Idle Time Variance

Given :

1. Standard Hours = 1,000 hours
2. Standard Rate per hour = ₹ 10
3. Actual Rate = ₹ 13
4. Actual Hours (Total) = 1,200 hours
5. Idle Time (hours not worked due to abnormality) = 50 hours

**Q4) a)** Apsara Ltd. produces and sells 4,000 units per month at a selling price of Rs. 30/- per unit with a variable cost of Rs. 18/- per unit and a fixed cost of Rs. 10,000/-. The management has proposed to reduce the selling price to Rs. 28/- per unit under normal conditions to gain a competitive advantage. [8]

You are required to calculate the amount of additional sales to be sold to earn an additional profit of Rs. 12,000/- compared to the current profit.

b) What is a Cost Audit? Explain the rights and duties of a Cost Auditor. [7]

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