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SEAT No. :

P4912

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[5619]-1013

M.Com. (Semester - I)

ADVANCED COST ACCOUNTING AND COST SYSTEMS

108 : Costing Techniques and Responsibility Accounting  
(2019 Pattern) (Special Paper - II) (Credit System)

Time : 3 Hours]

[Max. Marks : 60

Instructions to the candidates:

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

Q1) What is Uniform Costing? What are requisites and advantages of Uniform Costing? [10]

OR

What is Responsibility Accounting? Explain about reporting to different levels of management.

Q2) Summarized below are the income and Expenditure forecasts for the month of March to August, 2008. [14]

Month	Credit Sales (Rs)	Credit Purchases (Rs)	Wages (Rs)	MFg. Exp (Rs)	Office Exp (Rs)	Selling Exp (Rs)
March	60,000	36,000	9,000	4,000	2,000	4,000
April	62,000	38,000	8,000	3,000	1,500	5,000
May	64,000	33,000	10,000	4,500	2,500	4,500
June	58,000	35,000	8,500	3,500	2,000	3,500
July	56,000	39,000	9,000	4,000	1,000	4,500
August	60,000	34,000	8,000	3,000	1,500	4,500

You are given the following further information :

- a) Plant costing Rs. 16,000 due for delivery in June on delivery and balance after three months
- b) Advance Tax Rs. 8,000 is payable in March and June.
- c) Period of credit allowed, suppliers 2 months and customers 1 month.
- d) Lag in Payment of manufacturing exp. half month.
- e) Lag in payment of all other expenses on month.
- f) Cash balance on 1<sup>st</sup> May, 2008 is Rs. 8,000 prepare Cash budget for three months starting from 1<sup>st</sup> May, 2008.

P.T.O.

Q3) From the following data of a factory calculate -

[14]

- Material Cost Variance
- Material Price Variance
- Material Usage Variance and justify the result.

Material	Standard		Actual	
	Kgs	Rate	Kgs	Rate
x	8,000	1.05	7,500	1.20
y	3,000	2.15	3,300	2.30
z	2,000	3.30	2,400	3.50
	13,000		13,200	

OR

The details regarding the composition and the weekly wage rates of labour force engaged on a job scheduled to be completed in 30 weeks are as follows :

Category of Workers	Standard		Actual	
	No. of Labourers	Weekly wage rate per Worker (Rs)	No. of Labourers	Weekly wage rate per Worker (Rs)
Skilled	75	60	70	70
Semi-Skilled	45	40	30	50
Unskilled	60	30	80	20
	180		180	

The work is actually completed in 32 weeks. Calculate,

- Labour Cost Variance
- Labour Rate Variance
- Labour efficiency variance and justify, the results.

**Q4)** The expenses for the production of 5000 units at 50% capacity in a factory are given as follows -

Particulars	Per unit (Rs)
Materials	50
Labour	20
Variable overheads	15
Fixed overheads (Rs. 50,000)	10
Administrative Expenses (5% variable)	10
Selling Exp (20% Fixed)	6
Distribution Exp (10% Fixed)	5
<b>Total cost of sales per unit</b>	<b>116</b>

You are required to prepare a flexible budget for 70% and 90% production capacity. At 90% capacity cost of materials will increase by 10% whereas labour cost will decreased by 5%. **[14]**

OR

The following data have been taken from the books of M/s Avinash and Company prepare report on responsibility centre basis.

Particulars	Budget (Rs)	Variance (Rs)
Direct materials	50,000	1000 (A)
Direct Wages	31,200	1250 (A)
Repairs and Maintenance	22,500	500 (F)
Consumables and stores	9,375	125 (A)
Tools	3,125	125 (A)
Power and Fuel	18,750	750 (F)
Supervision	10,000	1,000 (A)
Administration	25,000	1,500 (A)
Factory Rent (Fixed)	5,000	-
Depreciation (Fixed)	10,000	-

Q5) Write short notes (any 2)

[8]

- a) Types of Budgets
- b) Revenue Centre, Profit Centre
- c) Interfirm Comparison
- d) Setting up of Standard

