TM154120A **Reg. No:.....**

Name:.....

M. COM. DEGREE (C.S.S.) EXAMINATION, MARCH 2017
SEMESTER IV – COMMERCE
CO4C16TM – ADVANCED COST ACCOUNTING

Time: Three Hours **Maximum Marks: 75**

PART A

I. Answer any five questions. Each question carries 3 marks

1. What is equivalent production?
2. What is Angle of Incidence?
3. What is standard cost?
4. What is Key factor?
5. Define Cost Control
6. What is Budget Manual?
7. What is Integrated Accounting?

(5x3=15)

PART B

II. Answer any six questions. Each question carries 5 marks

8. Explain the valuation of abnormal loss in process costing
9. What are the uses of CVP Analysis?
10. What are the requirements of standard costing system?
11. Distinguish between financial budgets and cost budgets
12. Explain different types of Overhead variances
13. What are the advantages of Integral Accounting?
14. The following information relates to process A of a manufacturing company:
    Material introduced 2,000 units at the rate of Rs.5 per unit. Labour cost was Rs.4,000 and other expenses were Rs.2,000. The normal loss was 5% of input which was sold at Re.1 per unit. During the period an output of 1,800 units were obtained from the process. Prepare process A account and Abnormal Loss Account.
15. You are given the following information relating to a company:
    Sales Rs. 30,000
    Variable cost Rs. 18,000
    Profit Rs.4,000
    Find out:
    1) P/V ratio
    2) Break Even Point
    3) Profit when sales are Rs.40,000

16. X Ltd. furnishes the following:
    The total cost per unit of producing
    The total cost per unit of producing component part XME is given below:

Particulars	Cost per unit Rs.
Direct Materials	20
Direct Labour	15
Variable factory Overheads	5
Fixed Overheads (apportioned)	8
Total Cost	48

An outside supplier has agreed to supply the component at Rs.42 per unit with assurance of continuous supply. Should the component be produced or bought? Give reasons for your answer

(6x5=30)

PART C

III. Answer any two questions. Each question carries 15 marks

17. Explain the managerial uses of Marginal Costing and Briak Even Analysis
18. The following informatin relate to a flexible budget at 60% capacity. Find out the overhead costs at 50% and 70% capacity and also determine the overhead rates:
    Particulars expenses at 60% capacity

Variable overheads	**Rs.**
Indirect Labour	10,500
Indirect Materials	8,400

    Semi-variable overheads:
    Repair and Maintenance (70% fixed; 30% variable) 7,000
    Electricity (50% fixed; 50% variable) 25,200
    Fixed overheads:
    Office expenses 70,000, Insurance 4,000, Depreciation 20,000
    Estimated direct labour hours 1,20,000 hours
19. Present the following information to show to the manaement: (a) the marginal product cost and the contribution per unit; (b) the total contribution and profits resulting from each of the following mixtures, (c) recommend the best sales mix

	Prod. A	Prod. B
Sales Price	20	15
Direct Materials	10	9
Direct wages	3	2

    Fixed expenses Rs.800
    Variable expenses are allocated to products as 100% of direct wages.
    Sales mixtures:
    (i) 1000 units of product A and 2000 units of B
    (ii) 1500 units of product A and 1500 units of B
    (iii) 2000 units of product A and 1000 units of B

20. From the following details prepare statement of equivalent production, statement of cost, statement of evaluation and process account by following average cost method:
Opening WIP: 2000
Material (100% complete) Rs. 7,500
Labour (60% complete) Rs.3,000
Overheads (60% complete) Rs. 1,500
Unts introduced into the process 8,000
There are 2,000 units in process and the stage of completion is estimated to be:
material – 100%
Labour – 50%
Overheads – 50%
8000 units are transferred to the next process
The process costs for the period are:
Material – Rs.1,00,000
Labour – Rs. 78,000
Overheads – Rs. 39,000

(2x15=30)