BAF 25/04/24

TIME: 2½ Hours **Total Marks : 75**

NOTE: 1- All questions are compulsory.
2- Figures to the right indicate marks.
3- Working notes are forming part of your answers

Q.1 A) Match the column (Rewrite the sentence) (Any Eight) **(08)**

Sr No	A	B
1	Imputed cost	Fixed and Variable cost charged to production
2	Standard cost	Notional cost
3	Absorption Costing	Pre determined cost
4	Sales Budget	No profit – No loss point
5	Master Budget	Limiting factor
6	Break Even Point	Estimate of Sales
7	Key factor	Summary Budget
8	Idle time variances	Multiple products
9	Sales Mix	Deviation from standard cost
10	Variance	Always unfavourable

Q 1 (B) Choose the correct alternative and rewrite it. (Any seven) **(07)**

1- The cost of product as determined under standard cost system is a ___________
(a) Fixed Cost
(b) Variable Cost
(c) Pre determined cost
(d) Master Budget

2- If a company uses only one type of material, then which of the following variance cannot be found
(a) Material cost variance
(b) Material price variance
(c) Material usage variance
(d) Material yield variance

3- Contribution is ____________
(a) Sales – Profit
(b) Sales – Variable Cost
(c) Sales – Fixed Cost
(d) Fixed Cost + Variable Cost

4- The fixed variable cost classification has a special significance in the preparation of ______
(a) Capital Budget
(b) Flexible Budget
(c) Master Budget
(d) Cash Budget

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5- A flexible budget takes into account __________
   (a) Fixed cost only
   (b) Variable cost only
   (c) Semi variable cost only
   (d) Fixed, Variable, Semi-variable cost

6- As the unit manufactured decreases , variable cost per unit ___________
   (a) Remains Constant
   (b) Increases
   (c) Decreases
   (d) Reduces by half

7- The most profitable Sales Mix is one which gives maximum ___________
   (a) Contribution
   (b) Sales
   (c) Cost
   (d) Fixed Cost

8- ___________ is a principle tools of planning and control offered to management by accounting functions
   (a) Budget
   (b) Income statement
   (c) Balance Sheet
   (d) Cost Sheet

9- Labour time variance __________
   (a) (Standard rate – Actual rate) × Standard quantity
   (b) (Standard rate – Actual rate) × Actual quantity
   (c) (Standard hours – Actual hours) × Standard rate
   (d) (Standard hours – Actual hours) × Actual rate

10- Break even point in units is calculated by using _________ formulae
   (a) Profit Volume ratio
   (b) Fixed Cost plus variable cost
   (c) Contribution divided by Sales
   (d) Fixed Cost divided by contribution per unit

Q2. (A) Company annually produces and sells 30,000 units of a product, selling price of which is Rs. 60 per unit. Fixed cost is Rs. 10 per unit.
Total Material Cost for 30,000 units is Rs. 6,00,000 and total labour cost is Rs. 3,00,000. You are required to compute : **(15)**

a. P/V Ratio
b. Break even sales in Rs. And units.
c. Sales required to earn a profit of Rs. 6,00,000.
d. Profit when sales is 20,000 units.
e. Margin of safety when actual sales is Rs. 9,00,000.

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OR

Q2 (B) The following information in respect of Product 'A' and Product 'B' of JMR Ltd. is available. **(15)**

Particulars	Product A	Product B
Sale Price	Rs. 1,000	Rs. 640
Direct Material	Rs. 400	Rs. 400
Direct Labour Hours (Rs. 5 per hour)	20 hours	20 hours
Variable overheads	100 % of Direct wages	100 % of Direct wages

Fixed overheads for the Company are Rs. 30,000.
You are required to calculate the marginal product cost and contribution per unit and State which of the following alternative sales mixes you would recommend and why?
(a) 100 units of Product 'A' and 50 units of Product 'B'.
(b) 50 units of Product 'A' and 100 units of Product 'B'.
(c) 150 units of Product 'A' only.
(d) 150 units of Product 'B' only.

Q 3 (A) The standard cost of a product shows the following: **(15)**
Material cost : 5 kg @ Rs. 10 per kg
Labour cost : 6 hrs @ Rs. 12 per hour
The Actual data for the period was:
Production : 9,000 units
Material consumed : 44,000 kg @ Rs. 10.25 per kg.
Labour cost : 55,000 hours @ Rs. 11 per hour.
Calculate the appropriate Material and Labour variance.

OR

Q3 (B) From the following information about sales calculates: **(15)**
(a) Sales Value Variance.
(b) Sales Price Variance.
(c) Sales Volume Variance.
(d) Sales Mix Variance.
(e) Sale Quantity Variance.

Product	Standard		Actual	
	Units	Cost per unit (Rs.)	Units	Cost per unit (Rs.)
A	15,000	10	20,000	11
B	12,000	12	15,000	12
C	13,000	14	15,000	15

Q4 (A) Blue manufacturing company is operating at 75% of normal capacity. It is proposed to offer a price reduction of 5% to 10% depending upon the sales volume desired. Given below are the relevant data. **(15)**

Capacity	75%	85%	100%
Outputs (units)	75,000	85,000	1,00,000
Selling price per unit	Rs. 96	5% off	10% off
Material cost per unit	Rs 40	10% less	15% less
Wages cost per unit	Rs. 10	Rs. 10	Rs. 10

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Fixed production overhead Rs. 14,00,000.
Fixed selling and administration overhead Rs. 5,00,000.
Variable production overhead Rs. 14,00,000 @ 100% capacity.
Variable selling and administration Rs. 4,40,000 @ 100% capacity.
Prepare a statement to show per unit and total profit/loss at above levels of output.

OR

Q4 (B) Following details are available from the records of a firm. Prepare a cash budget for the 3 months ending 30.06.2024. **(15)**

Month	Sales (Rs.)	Materials (Rs.)	Wages (Rs.)	Overheads (Rs.)
February	14,000	9,600	3,000	1,700
March	15,000	9,000	3,000	1,900
April	16,000	9,200	3,200	2,000
May	17,000	10,000	3,600	2,200
June	18,000	10,400	4,000	2,300

Additional Information:
(a) 10% sales are on cash.
(b) 50% of the credit sales are collected next month and the balance in the following month.
(c) Period of credit allowed by suppliers 2 months.
(d) Delay in payment of wages 1/4th month.
(e) Delay in payment of overheads 1/2 month.
(f) Cash and Bank Balance on 1.04.2024 is expected to be 6,000.
(g) Plant and Machinery will be installed in February 2024 at a cost of Rs. 96,000. The monthly installment of Rs. 2,000 are payable from April 2024 onwards.
(h) Advance to be received for sale of vehicle Rs. 9,000 in June.
(i) Dividend from investments Rs.1,000 is expected to be received in June 2024.
(j) Advance Income Tax to be paid in June 2024 Rs. 2,000.

Q5 (A) 1. Difference between Marginal costing and Absorption costing. **(08)**
2. Break Even Chart **(07)**

OR

Q5 (B) Write Short notes on : (any three) **(15)**
1. Advantages of budgeting
2. Limiting factor
3. Causes of Variances
4. Break even point analysis
5. Disadvantage of standard costing

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