

Total number of printed pages-7

4(Sem 4) CMAC

2013

COMMERCE

Cost and Management Accounting

(Management Major)

Paper : 405

Full Marks : 80

Time : Three hours

*The figures in the margin indicate full marks
for the questions.*

Answer all the questions as directed.

GROUP-A

(40 Marks)

(Cost Accounting)

1. Answer the following as directed : $1 \times 4 = 4$

- (i) Fixed Costs depend mainly on the effluxion of time and do vary directly with volume or rate of output. (state whether the statement is true or false)

Contd.

(ii) Name the cost which is not useful for decision making.

(iii) The time taken in processing the order and then executing it is known as _____.
(Fill in the blank)

(iv) Mention the standard which is fixed on the basis of scientific studies but adjusted for current subjective factors.

2. Distinguish *any three* of the following : $2 \times 3 = 6$

(i) Product Costs and Period Costs.

(ii) Normal and Abnormal idle time.

(iii) Over and Under absorption of overheads.

(iv) Standard Cost and Target Cost.

3. Write short notes on *any two* of the following :
 $5 \times 2 = 10$

(a) Relationship between Cost Accounting and Financial Accounting.

(b) ABC Analysis

(c) Methods of measuring Labour turnover.

4. Explain the various cost concepts that are very useful for analytical and decision making purposes.

10

Or

Annual usage is 3200 units.

The unit cost is Rs. 6/-

Inventory carrying charges is 25% p.a.

The cost of procurement is Rs. 150 per order.

From the above particulars calculate

(a) Economic Order Quantity

(b) Number of orders per year

(c) Time between two consecutive orders.

$6+2+2=10$

5. What are the steps involved in standard costing and also state its limitations.

$6+4=10$

Or

From the following particulars calculate

(i) Material Cost Variance and

(ii) Material Price Variance.

5+5=10

| Materials | Standard Units | Price (per unit) (Rs) | Actual Units | Actual Price (per unit) (Rs) |
|-----------|----------------|-----------------------|--------------|------------------------------|
| A | 1010 | 1.0 | 1080 | 1.2 |
| B | 410 | 1.5 | 380 | 1.8 |
| C | 350 | 2.0 | 380 | 1.9 |

GROUP-B

(40 Marks)

(Management Accounting)

6. Write short notes on *any three* of the following :

2×3=6

(i) Budgetary Control

(ii) Angle of incidence

(iii) Master Budget

(iv) Profitability ratio.

7. State whether the following statements are *true*

or *false* :

1×4=4

(i) The management accountant places the data in a narrow perspective than the cost accountant.

(ii) Financial statements are prepared on the basis of realisable values.

(iii) The increase in P.V. ratio means lower break-even point and higher margin of safety.

(iv) Flow of funds mean increase or decrease of working capital.

8. Answer *any two* of the following : $5 \times 2 = 10$

(a) Limitations of management accounting.

(b) Distinction between fixed and flexible budget.

(c) Distinguish between Funds Flow Statement and Cash Flow Statement.

9. What are the tools and techniques of management accounting? How they assist in decision making?
 $5 + 5 = 10$

Or

What is Zero Base Budget? How it is different from traditional budget? What are the advantages of such a technique of budgeting?

$2 + 4 + 4 = 10$

10. State the application of marginal costing in pricing decisions and profit-planning. 10

Or

From the following information find out the P.V. Ratio, Break-even point and the sales required to earn a profit of Rs. 50000.00. $3 + 4 + 3 = 10$

(i) Selling price — Rs. 100 per unit

(ii) Variable Cost Rs. 75/-

(iii) Fixed Cost Rs. 2,00,000/-