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4 (Sem 4) CMAC

2015

COST AND MANAGEMENT ACCOUNTING

Paper : 405

(Management Major)

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

(Cost Accounting)

Marks – 40

1. Answer the following questions : $1 \times 4 = 4$
 - (a) Work in progress is valued at what cost ?
 - (b) What is Committed cost ?
 - (c) On what basis welfare-service cost is apportioned ?
 - (d) What is machine hour rate ?

[Turn over

2. Answer any *three* questions of the following :

2×3=6

- (i) Why opportunity costs are not recorded in the books ?
- (ii) What is Cost Unit ?
- (iii) Give two examples of unavoidable causes of labour turnover.

(iv) What is Flat Time Rate?

3. Write explanatory notes on any *two* of the following :

5×2=10

- (a) Joint cost and Common cost.
- (b) Relationship between Cost Accounting and Management Accounting.
- (c) VED Analysis.

4. What is Overtime ? How is overtime cost treated in Cost Accounting ? How can such cost be controlled ?

2+4+4=10

Or

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Annual demand 2400 units

Unit price Rs. 2.40

Ordering cost per order Rs. 4.00

Storage cost 2% per annum

Interest rate 10% per annum

From the above particulars calculate Economic Order Quantity. 10

5. Define Current Standard and Basic Standard. How Standard cost are different from Estimated costs ? 5+5=10

Or

The standard cost card shows the following details relating to materials needed to produce 1 kg of groundnut oil : 4+3+3=10

- (i) Quantity of groundnut required 3 kg.
- (ii) Standard price of groundnut Rs. 2.50 per kg.
- (iii) Actual production 1000 kg.
- (iv) Actual quantity of material used 3500 kg.
- (v) Actual price of groundnut Rs. 3 per kg.

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Calculate

- (a) Material cost variance
- (b) Material price variance
- (c) Material usage variance.

GROUP - B
(Management Accounting)

Marks - 40

6. Answer the following questions : $1 \times 4 = 4$

- (a) What do you mean by interpretation of financial statement ?
- (b) What is dynamic analysis ?
- (c) What is the premise of Zero-base budgeting ?
- (d) Give an example of budget key factor.

7. Write short notes on any *three* of the following : $2 \times 3 = 6$

- (i) Flexible Budget
- (ii) Contribution
- (iii) Comparative Income Statement
- (iv) Cash-flow Statement

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Answer any *two* of the following questions :

$5 \times 2 = 10$

- (a) What are the objectives of Management Accounting ?
- (b) Explain the functions of a Management Accountant.
- (c) Distinguish between standard costing and budgetary control.

9. Explain how Ratio-Analysis is a useful tool to Shareholder, Banker, Management, Employees and the Government. 10

Or

Explain Current Ratio, Quick Ratio and Absolute Liquid Ratio indicating the particulars of current assets and current liabilities and their ideal proportions. $4+3+3=10$

10. What is Break-Even Analysis ? What are its assumptions ? How is break-even-point calculated in terms of sales units and value ?

$2+4+2+2=10$

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Or

Fixed cost	Rs. 12000
Selling price	Rs. 12 per unit
Variable cost	Rs. 9 per unit

From the above information, calculate

- (a) Profit at a sales volume of Rs. 60000/- and
Rs. 100000/-
- (b) Desired sales to earn a profit of
Rs. 6000/- and Rs. 15000/-. 5+5=10