



WEST BENGAL STATE UNIVERSITY
B.Com. Honours 4th Semester Examination, 2020

FACACOR10T-B.Com. (CC10)

COST AND MANAGEMENT ACCOUNTING-II

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.
Candidates should answer in their own words and adhere to the word limit as practicable.
All symbols are of usual significance.*

GROUP-A

Answer any two questions from the following

10×2 = 20

1. A Ltd. produces three products at a joint manufacturing cost of Rs.12,50,000. The following information has been provided:

Product	Volume	Further Processing Costs	Selling Price per Unit
	Units	Rs.	Rs.
A	25,000	750,000	40
B	40,000	750,000	50
C	35,000	210,000	20

You are required to allocate the joint costs using the Constant Gross Margin Percentage Method.

2. B Ltd. is currently running at 60% capacity and producing 6,000 units at Rs. 90 per unit as per details below. 10

Direct Material Rs. 45/unit

Direct Labour Rs. 20/unit

Factory overhead Rs. 15/unit (40% Fixed)

Administrative overhead Rs. 10/unit (50% Variable)

Current selling price per unit Rs. 100. At 70% and 80% capacity Direct Labour Cost decreases by 5% and 10% respectively at 70% and 80% capacity selling price per unit increases by 2% and 5% respectively.

Prepare a Flexible Budget for 70% and 80% capacity utilization showing clearly unit fixed cost, unit variable cost, unit total cost and unit selling price.

3. Write short notes (any two): 5×2

(a) Budgetary control

(b) Activity Based costing

(c) Marginal costing.

GROUP-BAnswer any *two* questions from the following

15×2 = 30

4. C Enterprise provides you the following data in respect of its product for the year 2019. $7\frac{1}{2} + 7\frac{1}{2}$

Direct materials	Rs. 80,000
Direct labour	Rs. 1,00,000
Chargeable Expenses	Rs. 20,000
Factory Expenses (75% Variable)	Rs. 50,000
Office and Administrative Expenses (Fully Fixed)	Rs. 70,000
Selling Expenses (75% Variable)	Rs. 50,000
Distribution Expenses (50% Variable)	Rs. 30,000
Selling Price per unit	Rs. 10
Production	50,000 Units
Sales	45,000 Units
Closing Inventory	5,000 Units

You are required to compute the value of Closing Stock to prepare statements of Cost and Profit under both Absorption Costing System and Marginal Costing System.

5. (a) For making 10 kg of product M, standard material requirement is

3+3+3

Material	Quantity Kg.	Rate per Kg. (Rs.)
S	8	6
T	4	4

During April 2020, 1000 Kg of M were produced. The actual consumption of material is as under

Material	Quantity Kg.	Rate per Kg. (Rs.)
S	750	7
T	500	5

Calculate:

- (i) Material Cost Variance
- (ii) Material Price Variance
- (iii) Material Usage Variance.

(b) The standard and actual figures of D Ltd. are as follows:

2+2+2

Standard time for the job	10000 hours
Standard rate per hour	Rs. 5
Actual time taken	9000 hours
Actual wages paid	Rs. 3,600

Compute:

- (i) Labour Rate Variance
- (ii) Labour Efficiency Variance
- (iii) Labour Cost Variance.

6. The sales and profits during two years were as follows:

3×5 = 15

Year	Sales (Rs.)	Profit (Rs.)
2018	1,50,000	20,000
2019	1,70,000	25,000

You are required to calculate:

- (i) P/V ratio
- (ii) Breakeven point
- (iii) The sales required to earn a profit of Rs. 40,000
- (iv) Profit made when sales are Rs. 2,50,000
- (v) Margin of safety at a profit of Rs. 50,000

N.B. : Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.

—x—