

# FINAL YEAR B.Com. DEGREE EXAMINATION, MARCH/APRIL 2008

Commerce

Paper XII – COST AND MANAGEMENT ACCOUNTING

(2005 admissions)

Time: Three Hours

Maximum : 80 Marks

## Part A

Answer any **ten** questions  
Each question carries 1 mark.

1. What is standard costing ?
2. What is historical costing ?
3. Explain a Cost Unit.
4. What is imputed cost ?
5. What is FIFO method of valuing market ?
6. What is the object of premium and bonus plan ?
7. State the meaning of absorption.
8. Define Marginal Cost.
9. Define budgetary control.
10. What is a sales budget ?
11. Write down the formula for volume variance.
12. What is a financial statement ?

(10 × 1 = 10 marks)

## Part B

Answer any **ten** questions.  
Each question carries 4 marks.

13. State the differences between Financial Accounting and Cost Accounting.
14. Explain the disadvantages of piece rate system.
15. What are the advantages of Halsey Premium Plan ?
16. Explain the technique comparative statements.
17. Explain the need or significance of ratio analysis.
18. What are the uses of fund flow statement ?

19. Explain the advantages of cash flow statement.
20. A factory requires 2000 units of a certain material for a year. Cost of carrying one unit of material is calculated to be Re. 1 per annum and it is estimated that the expenses of placing an order and receiving would amount to Rs. 10. Calculate EOQ.
21. Using the following data calculate wage per hour as per Halsey and Rowan plan :  
 Time allowed 48 hours  
 Time taken 40 hours  
 Rate per hour Re. 1.
22. Sale of a product amounts to 200 units per month at Rs. 10 per unit. Fixed overhead is Rs. 1000 per month and variable cost Rs. 6 per unit. There is a proposal to reduce prices by 10%. Calculate present and future P/V ratio.
23. Gives that the cost standards for materials consumption are 40 kgs at Rs. 10 per kg. Calculate the variances when actuals are :  
 (a) 48 kgs at Rs. 10 per kg.  
 (b) 40 kgs at Rs. 12 per kg.  
 (c) 48 kgs at Rs. 12 per kg.  
 (d) 36 kgs for a total cost of Rs. 360.
24. Following are the ratios relating to the trading activities of an Enterprise  
 Debtors velocity 3 months.  
 Stock velocity 8 months.  
 Gross Profit Ratio 25%  
 Gross profit for this year amounted to Rs. 2,00,000. Closing stock of the year was Rs. 1,00,000 above the opening stock. Find out (i) Sundry Debtors ; (ii) Closing stock.  
 (10 × 4 = 40 marks)

### Part C

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

25. Explain the benefits and limitations of inter-firm comparison.
26. Write the objects of analysis and interpretation of financial statements.
27. The financial position of a firm as on 31st March 2003 and 2004 was as under:

Capital and liabilities	31.3.03	31.3.04	Assets	31.3.03	31.3.04
Current liabilities	36,000	41,000	Machinery	1,07,000	1,22,000
Loan from subsidiary company	—	20,000	<u>Less :</u>		
Loan from Bank	30,000	25,000	Dep. upto date	27,000	36,000
Capital and Reserve	1,48,000	1,49,000	Buildings	50,000	55,000
			Land	20,000	30,000
			Stock	25,000	22,000
			Debtors	35,000	38,400
			Cash	4,000	3,600
				2,14,000	2,25,000