

FINAL YEAR B.Com. DEGREE EXAMINATION, AUGUST 2009

Paper XII—COST AND MANAGEMENT ACCOUNTING

(2005 Admissions)

Three Hours

Maximum : 80 Marks

**Section A**

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

- What is maximum stock level ?
- What is angle of incidence ?
- How will you calculate BEP ?
- What is normal loss ?
- Define cost sheet.
- What is overhead ?
- Define cost centre.
- What is period cost ? Give two examples of period cost.
- Define opportunity cost.
- Define cash flow statement.
- What is contribution ?
- What is abnormal gain ?

(10 × 1 = 10 marks)

**Section B**

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

- What is meant by Budget Costs and Standard Cost ?
- Define costing. What are the advantages of costing ?
- State the advantages of FIFO method.
- Calculate 'E O Q' from the following :

A factory requires 500 units of a material for a year. Cost of carrying one unit of this material is Re-1 per annum and it is estimated that the expenses of placing an order and receiving would amount to Rs. 10.

17. What is BEP ? How will you calculate margin of safety ?
18. Distinguish between-time keeping and time-booking.
19. A T.V. Company places before you the following information :—

Year		Sales (Rs.)	Profit (Rs.)
2000	....	20,000	1,000
2001	...	18,000	400

Find out :

- (a) P/V ratio.
- (b) Fixed cost.
- (c) BEP.
20. ABC Ltd. produces 1000 units of a product during the year 2004.

The cost details are :

		Rs.
Direct material	...	20,000
Direct wages	...	10,000
Direct expenses	...	2,000
Factory OH	...	13,000
Administrative OH	...	6,000

If profit of 25 % on sales is to be maintained, what would be the selling price of each unit product ?

21. Current Ratio 1.75 : 1, Acid test Ratio 1.27 : 1

Working Capital Rs. 33,000.

Calculate :

- (a) Current assets.
- (b) Quick assets.
- (c) Quick liabilities.

28. From the following Balance Sheets of Arun and Anil as on 1-1-1998 and 31-12-1998, prepare a fund flow statement

		<i>Balance Sheet</i>				
<i>Liabilities</i>		1-1-1998	31-12-1998	<i>Assets</i>	1-1-1998	31-12-1998
		Rs.	Rs.		Rs.	
Creditors	...	40,000	44,000	Cash	10,000	7,000
Mrs. Anil's Loan	...	25,000	-	Debtors	30,000	50,000
Loan from SBT	...	40,000	50,000	Stock	35,000	25,000
Capital	...	1,25,000	1,53,000	Machinery	80,000	55,000
				Land	40,000	50,000
				Buildings	35,000	60,000
		<u>2,30,000</u>	<u>2,47,000</u>		<u>2,30,000</u>	<u>2,47,000</u>

During the year machine costing Rs. 10,000 (Depreciation written off Rs. 3,000) was sold for Rs. 5,000. Provision for depreciation on 1-1-1998 was Rs. 25,000 and on 31-12-1998 Rs. 40,000. Profit earned during the year amounted to Rs. 45,000.

(2 × 15 = 30 m)