

2016

Full Marks - 70

Time : As in the Programme

The figure in the right hand margin indicates marks.

Answer ALL questions.

Section - A

Answer any THREE.

[12×3=36]

1. "The two aspects of cost management are cost control and cost reduction." Elaborate this statement.
2. Explain the essential ingredients of a system of Responsibility Accounting. Explain why a decision centre should be treated as a profit centre rather than as a cost centre.
3. From the following information, calculate important labour variances.

Standard for one unit of output

	Hours	Rate per Hours (Rs.)
Skilled	10	3.00

[Cont...

Semi-skilled	08	1.50
Unskilled	16	1.00

Actual for 1500 units of output

	Hours	Rate per Hours (Rs.)
Skilled	13,500	3.50
Semi-skilled	12,600	1.80
Unskilled	30,000	1.20

4. Product DDL passes through three processes for completion. The cost of production were as follows

Particulars	Total	Process-A	Process-B	Process-C
Direct Materials	8,482	2,000	3,020	3,462
Direct Labours	12,000	3,000	4,000	5,000
Direct Expenses	726	500	226	--
Production overhead	6,000	--	--	--

1000 units at Rs. 5 each were issued to process A.

Output of each process was :-

Process – A 920 units,

Process – B 870 units,

Process – C 800 units

Normal loss per process was estimated as :-

[Cont...

[3]

Process – A 10%, Process – B 5% and Process – C 10%.

The loss in each process represented scrap which could be sold to a merchant at a value as follows :-

Process – A Rs. 3 per unit, Process – B Rs. 5 per unit and Process – C Rs. 6 per unit.

There was no stock of materials or work in progress in any department at the beginning or end of the period. The output of each process passes through to the next process and finally to finished stock. Production overhead is absorbed by each process at 50% of direct labour cost. Prepare necessary process Accounts.

5. "Cost may be classified in a variety of ways according to their nature and the information needs of management." Explain and discuss this statement.

Section – B

Answer any THREE.

[8×3=24

- ①. State the importance of budgetary control system. Discuss the pre requisites for the introduction of budgetary control system.

[Cont...

[4]

2. Distinguish between Job Costing and Contract Costing.
3. What are the prerequisites for installing a costing system in a manufacturing company ?
4. Define Management Accounting. Discuss the scope and functions of management accounting.
5. Draw a graph to show BEP and explain all its parts and bring out the relevance.

Section – C

Answer any TWO.

[5×2=10]

1. How are joint costs allocated to Joint Products ?
2. What are the main features of job order costing ?
Give a proforma of cost sheet under this cost system.
3. Explain the master budgets of a business organization.
4. How is contribution related to profit ? List three benefits that management can obtain from knowing the contribution from its units.