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| **Name:**<br>**Enrolment No:** | UPES<br>UNIVERSITY WITH A PURPOSE |

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**
**End Semester Examination, May 2019**

**Course: Cost Accounting** **Semester: VI**
**Program: BCOM. LLB TL** **Time: 3 hrs.**
**Course Code: BBCF332** **Max. Marks: 100**

**Instructions: All Questions Are Compulsory.**

**SECTION A**

| S. No. | | **Marks** | **CO** |
|---|---|---|---|
| Q 1 | Cost accounting is used-<br>a) By big producers b) By small producers<br>c) By Marginal Producers c) By big and small producers | **2** | **CO1** |
| Q 2 | Variable Cost-<br>a) Always remain fixed.<br>b) Decrease with the increase in production.<br>c) Fluctuates with the fluctuations on the volume of production.<br>d) None of these. | **2** | **CO1** |
| Q 3 | If profit is 25% of cost, then it will be percent of sales-<br>a) 10% b) 15% c) 20% d) 25% | **2** | **CO1, CO2** |
| Q 4 | If percentage of Variable Costs of sales is 60%, fixed costs are Rs.30,000, the break-even point would be:<br>a) 75,000 b) 18,000 c) 50,000 d) 12,000 | **2** | **CO1, CO2** |
| Q 5 | Variable Cost per unit is Rs.15 per unit, fixed costs are Rs.54,000. If B.E.P. is 6,000 units, the selling price should be:<br>a) Rs.25 b) Rs.24 c) Rs.30 d) Rs.28 | **2** | **CO1, CO2** |
| **SECTION B** | | | |
| Q 6 | Explain the difference between Financial Accounting and Cost Accounting. | **10** | **CO2** |
| Q 7 | Distinguish between direct expenses & indirect expenses. What types of expenses are included direct expenses? | **10** | **CO2** |
| | | | |

**SECTION-C**

Q 8

Mr. Ashish furnishes the following data relating to the manufactures of a standard product during the month of August, 2017:

| | |
|---|---|
| Raw Materials Purchased | 15,000 |
| Opening Stock of Raw Materials | 4,000 |
| Closing Stock of Raw Materials | 3,000 |
| Direct Labour Cost | 6,840 |
| Machine Hours Worked | 900 Hours |
| Machine Hour Rate | Rs.4.94 |
| Carriage Inwards | 1,100 |
| Administrative Overheads | 34% of Materials used |
| Selling Overheads | 50 paise per unit sold |
| Units Produced | 17,100 |
| Opening Stock of Finished Products: | 2000 units @ Rs.1.50 per unit |
| Units Sold | 16,000 units |
| Selling Price per unit | Rs.4 |

You are required to prepare:

1- Cost Sheet
2- A Statement showing Profit for the Period

10 — **CO3, CO4**

Q 9

A factory annually manufactures 10,000 units of a product at a cost of sales of Rs.4 per unit and there is a home market for consuming the entire volume of production at the selling price of Rs.4.25 per unit. In a certain year, there is a fall in the demand in the home market which can consume 10,000 units only at selling price of Rs.3.72 per unit. The analysis of cost of sales for the 10,000 units is:

| | **Rs.** |
|---|---|
| **Materials** | **15,000** |
| **Wages** | **11,000** |
| **Fixed Overheads** | **8,000** |
| **Variable Overheads** | **6,000** |

The foreign market is explored and it is found that this market can consume 20,000 units of the product if offered at a selling price of Rs.3.55 per unit. It is also discovered that for additional 10,000 units of product (over the initial 10,000 units) the fixed overheads will increase by10%. Is it worthwhile to try to capture the foreign market?

10 — **CO3, CO4**

**SECTION D**

Q 10

Fortune Ltd. Aligarh has to start production on 1st January, 2007. The prime cost of one unit is expected to be Rs.30, out of which Rs.18 is for materials and Rs.12 for labour. In addition variable expenses per unit is expected to be Rs.6 and fixed expenses per month will be Rs.20,000/-. Materials are purchased for cash to avail for the cash discount of 5% . One –fourth of sales will be for cash and rest on credit for

25 — **CO3, CO4**

settlement in the following month. Expenses are payable in the month in which they are incurred. Selling price is fixed at Rs.60 per unit. The number of units manufactured and sold are expected to be as under:

January 1,000, Feb 1,400, March, 1,700, April 2,000, May 2,300, June 2,400.

Prepare cash budget for six months indicating the working capital requirements.

Q 11

**Given that :**

| | **Standard** | | | **Actual** | | |
|---|---|---|---|---|---|---|
| Material | Qty | Price | Total | Qty. | Price | Total |
| A | 500 | 6.00 | 3000 | 400 | 6.00 | 2400 |
| B | 400 | 3.75 | 1500 | 500 | 3.60 | 1800 |
| C | 300 | 3.00 | 900 | 400 | 2.80 | 1,120 |
| Total | 1,200 | | 5,400 | 1300 | | 5,320 |
| (Loss) | (-) 120 | | | -220 | | |
| | 1,080 (SY) | | | 1,080 (AY) | | |

Calculate all five types of Material Variances.

**25**

**CO3, CO4**

| | |
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**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**

**End Semester Examination, May 2019**

| | |
|---|---|
| **Course: Cost Accounting** | **Semester: VI** |
| **Program: BCOM.LLB Taxation Law** | **Time: 3 hrs.** |
| **Course Code: BBCF332** | **Max. Marks: 100** |

**Instructions: Attempt all the questions.**

**SECTION A**

| S. No. | | Marks | CO |
|---|---|---|---|
| Q 1 | Variable Cost per unit is Rs.15 per unit, fixed costs are Rs.54,000. If B.E.P. is 6,000 units, the selling price should be.<br>(a) Rs.25 (b) RS.24 (c) Rs.30 (d) RS.28 | **2** | **CO1, CO2** |
| Q 2 | In a month, payment for salary was Rs.11,500 when the lag in payment of salary is 1/8 month, If total salaries of current month are Rs.12,000, determine the salaries of previous month.<br>(a) Rs.9600 (b) Rs.8500 (c) Rs.8000 (d) Rs.9500 | **2** | **CO1, CO2** |
| Q 3 | Expenditure incurred on material, labour, machinery production and inspection are summed upto find the:<br>(a) Total cost of product (b) Selling price of product<br>(c) Factory cost of product (d) None of the above | **2** | **CO1** |
| Q 4 | The following is cost of direct materials.<br>(a) Freight charges (b) Grease<br>(c) Coolant (d) Cotton Waste | **2** | **CO1** |
| Q 5 | What will be the effect on B.E.P. by the increase in Fixed Cost?<br>(a) Decrease (b) Increase<br>(c) No change (d) None of these | **2** | **CO1** |

**SECTION B**

| | | | |
|---|---|---|---|
| Q 6 | What is cost sheet? Draw a complete specimen form of a comparative cost sheet. | **10** | **CO2** |
| Q 7 | What do you understand by Cost Accounting? Discuss the difference between Financial Accounting and Cost Accounting. | **10** | **CO2** |

| | | | |
|---|---|---|---|
| | | | |
| | **SECTION-C** | | |
| Q 8 | Following data relate to X Private Ltd.:<br><br>Sales (16,000 units @ Rs. 15) — 2,40,000<br>Less- Variable Expenses — 1,92,000<br>**Contribution** — **48,000**<br>Less- Fixed Expenses — 36,000<br>**Profit** — **12,000**<br><br>Calculate<br>**1-** What sales are needed to achieve the objectives of no profit no loss ?<br>**2-** What sales are necessary to result a net income of Rs. 11,000 the corporate income tax being 45% ?<br>**3-** What should be the selling price per unit if break-even point is brought down to 10,000 units ?<br>**4-** What will be the break even point if 10% increase effected in selling price ? | **10** | **CO3, CO4** |
| Q 9 | The texomat (Pvt.) Ltd. Has been manufacturing track suits for athletes. Currently its output is around 70% of its rated capacity of 19,000 units per annum. One exporter has approved the sample and has offered to buy 5,000 units at a special price of Rs.150 per suit. At present the company has been selling the track suit @ Rs.210. The standard cost per unit is as under:<br>Cloth and other materials — Rs.82.00<br>Labour — Rs.25.00<br>Fixed Cost — Rs.42.00<br>Administrative variable cost — Rs.11.00<br>**Total cost:** — **Rs.160.00**<br>**Should the company accept the offer?** | **10** | **CO3, CO4** |
| | **SECTION-D** | | |
| Q 10 | The budgeted expenses for production of 10,000 units in a factory are: (see table below) | **25** | **CO3, CO4** |

| **Particulars** | **Per Unit** |
|---|---|
| Materials | **70** |
| Labour | 25 |
| Variable Overheads | 20 |
| Fixed Overheads(Rs.1,00,000) | 10 |
| Direct Variable Expenses | 5 |
| Selling Expenses (10% Fixed) | 13 |
| Administrative Expenses (Rs.50,000) | 5 |
| Distribution Expenses (20% Fixed) | 7 |
| **Total** | **155** |

| | | | |
|---|---|---|---|
| | **Prepare a budget for the production of 8,000 Units and 6,000 Units. Assume that administrative expenses are rigid (Fixed) for all levels of production.** | | |
| Q 11 | A Factory is engaged in producing a product using two grades of materials A and B mixed in the ratio of 3:2. The standard price of material A is Rs.4 per unit and that of B Rs.3 per unit. Normal loss in production is expected at 10%. Due to shortage of materials of materials it was not possible to use the standard mix. However, the normal loss is still expected to be 10% as formerly. The actual result was as follows:<br>**Material A 280 tons @ Rs.3.80 per ton**<br>**Material B 120 tons @ Rs.3.60 per ton**<br>**Actual Production 364 tons**<br>**Calculate all Five types of Material Variances.** | **25** | **CO3, CO4** |