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BCMCMC 365

**Credit Based VI Semester B.Com.
Examination, September 2022
(2020 –2021 and Earlier Batches)
COST AND MANAGEMENT ACCOUNTING – IV**

Time : 3 Hours

Max. Marks : 120

SECTION – A

Answer **any four** questions.

(4×6=24)

1. What is cash flow statement ? What are the uses of cash flow statement ?

2. Distinguish between marginal costing and absorption costing.

3. What do you understand by Budgetary control ? What are its objectives ?

4. From the following data Calculate BEP, P/V ratio and Margin of safety.

Total sales ₹ 50,00,000

Variable cost ₹ 30,00,000

Profit ₹ 10,00,000.

5. Calculate funds from operations from the following.

Net Profit after considering the following transactions ₹ 70,000.

i) Preliminary exp written off ₹ 5,000.

ii) Dividend received ₹ 2,500.

iii) Depreciation on Machinery ₹ 2,000.

iv) Office Salary ₹ 8,000.

P.T.O.



- v) Interest on Bank Deposit received ₹ 2,000.
- vi) Goodwill written off.

6. From the following information Find out :

- a) Labour cost variance,
- b) Labour rate variance,
- c) Labour efficiency variance.

Standard	Actual
Output 1,000 units	1200 units
Rate of payment ₹.6/unit	Wages paid at ₹ .8,000
Time taken 50 hrs.	40 hrs.

SECTION – B

Answer **any four** questions.

(4×12=48)

7. Explain the application of marginal costing techniques in decision making.

8. What is standard costing ? What are its advantages ?

9. Aradhya Ltd. made a Profit of ₹ 1,85,000 after considering the following :

Depreciation on Fixed Assets ₹ 5,000

Loss on sale of Machinery ₹ 4,000

Transfer to Reserve ₹ 10,000

Profit on sale of Building ₹ 10,000



Taxation provision ₹ 10,000

Amortisation of fictitious Asset ₹ 2,000

The other details for the year as follows :

Particulars	31-03-2020	31-03-2021
	₹	₹
Debtors	18,000	17,000
Creditors	12,000	9,000
Bills Receivables	7,000	4,000
Bills Payables	3,000	4,000
Bank	1,000	1,500

Calculate the Operating cash profit and Cash flow from operation.

10. Prepare production budgets from the following budgeted sales figures for 6 months.

Year 2022	Product X	Product Y
	Units	Units
January	2,000	4,000
February	4,000	6,000
March	8,000	12,000
April	16,000	20,000



May	24,000	28,000
June	28,000	32,000
July	34,000	38,000

Finished Stock equal to 50% of sales of next month. Kept in stock at the end of every month. There is no work in progress either at the beginning or at the end of any month.

11. Calculate labour cost variance, labour rate variance and labour efficiency variance for Department A and B.

	Dept. A	Dept. B
Actual Direct Wages	₹ 2,000	₹ 1,800
Standard hours for actual output produced	8,000	6,000
Standard rate/hr.	30 paise	35 paise
Actual hours worked	8,200	5,800

12. The Goutham Industries Ltd. specialise in the manufacture of small capacity motors. The cost structure of a motor is as under.

Materials ₹ 50

Labour ₹ 80

Fixed overhead of the company amounted to ₹ 2.40 lakhs per annum.

The sale price of the motor is ₹ 230 each.

- a) Determine the number of motors that have to be produced and sold in a year in order to break even.
- b) How many motors have to be made and sold to make a profit of ₹ 1,00,000 per year ?
- c) If the sales price is reduced by ₹ 15 each, how many motors have to be sold to break even ?



SECTION – C

Answer **any two** questions.

(2×24=48)

13. The following are the summarised Balance Sheet of Ruchi Company Ltd. as on 31 December 2020 and 2021.

Liabilities	2020	2021	Assets	2020	2021
	₹	₹		₹	₹
Share Capital	2,00,000	2,50,000	L & B	2,00,000	1,90,000
General Reserve	50,000	60,000	Machinery & Plant	1,50,000	1,69,000
P & L A/c	30,500	30,600	Stock	1,00,000	74,000
Mortgage loan	70,000	–	Debtors	80,000	64,200
Sundry Creditors	1,50,000	1,35,200	Cash	500	600
Provision for			Bank	–	8,000
taxation	30,000	35,000	Goodwill	–	5,000
(NEL)	5,30,500	5,10,800		5,30,500	5,10,800

Additional Information :

During the year ended 31st March 2021 :

- 1) Dividend of ₹ 23,000 was paid.
- 2) Assets of another company was purchased for a consideration of ₹ 50,000 payable in Shares.

The following Assets were purchased :

Stock ₹ 20,000, Machinery ₹ 25,000.

- 3) Machinery was further purchased for ₹ 8,000.
- 4) Depreciation written off of Machinery ₹ 12,000.
- 5) Income Tax provided during the year ₹ 33,000.
- 6) Loss on sale of Machinery ₹ 200 was written off to general reserve.

You are required to Prepare the Cash flow statement.



14. Chandra Ltd. furnishes the following information of its cost and profit for the year 2020 and 2021.

Year	Cost	Sales
2020	₹ 12,00,000	₹ 14,00,000
2021	₹ 15,00,000	₹ 18,00,000

Compute the following :

- a) Profit volume ratio.
- b) Fixed Cost.
- c) Variable cost for 2020 and 2021.
- d) Margin of safety for 2020 and 2021.
- e) Most likely Profit when the sales are ₹ 20,00,000.
- f) Break even sales.
- g) Estimated sales when the desired Profit is ₹ 5,00,000.

15. The following information is taken from the books of a Raj Company Ltd.

Materials	Std output for (1,000 kgs)			Actual output for (20,000 kgs)		
	Qty.	Rate	Amount	Qty.	Rate	Amount
		₹	₹		₹	₹
A	450	20	9,000	10,000	19	1,90,000
B	400	40	16,000	8,500	42	3,57,000
C	250	60	15,000	4,500	65	2,92,500
Loss	100			3,000		

Calculate all the material variances.



16. Prepare funds flow statement and changes in working capital from the following.

Balance Sheets

Liabilities	31-12-2019	31-12-2020	Assets	31-12-2019	31-12-2020
	₹	₹		₹	₹
Capital	2,00,000	4,00,000	Fixed Assets	4,00,000	6,00,000
P & L A/c	3,00,000	5,00,000	Debtors	14,000	18,000
Bank loan	1,00,000	80,000	Bills Receivable	6,000	4,000
Creditors	10,000	12,000	Cash Balance	1,94,000	3,76,000
O/S Expenses	4,000	6,000			
	6,14,000	9,98,000		6,14,000	9,98,000

Additional Information :

- i) Depreciation on Fixed Asset amounted to ₹ 20,000.
- ii) Income Tax paid during the year ₹ 90,000.
- iii) Dividend paid for the year 2019 ₹ 40,000.
