

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF COMMERCE (B. COM)
EXAMINATION: MAY - 2025
FIFTH SEMESTER
Sub.: Cost & Work Accounting-III (BCOM19-304C)

Date: 15/05/2025

Total Marks: 100

Time: 10.00 am to 1.00 pm

Instructions: 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q. 1. (A) Fill in the blanks (Any 5) (10)

1. Marginal cost is also known as -----
 - a) Variable cost
 - b) Fixed cost
 - c) Semi- variable cost
 - d) None of this
2. Idle time variance is always -----
 - a) Adverse
 - b) Positive
 - c) Favorable
 - d) Similar
3. Contribution - ----- = Profit
 - a) Fixed cost
 - b) Direct cost
 - c) Variable cost
 - d) None of this
4. ----- is a process of allocation of resources.
 - a) Budgeting
 - b) Control
 - c) Control
 - d) Planning
5. ----- is a written document containing the principles, methods and procedure for the ascertainment and control of cost of uniform costing.
 - a) Journal book
 - b) Statement
 - c) Uniform cost manual
 - d) Cash book
6. The cost which remain fixed irrespective of level of output are known as -----
 - a) Fixed cost
 - b) Profit
 - c) Standard cost
 - d) Historical cost
7. A ----- System facilitates delegation of authority
 - a) Budgetary control
 - b) Planning
 - c) Marginal costing
 - d) Co-ordination

(B) State whether the following statements are true or false (any 5) (10)

1. Cost-volume profit analysis is the most important tool of profit determination
2. Sales budget is considered as a foundation of budgetary control system
3. The primary purpose of marginal costing is to make internal planning and control more effective.

4. P/V ratio can be improved by selling more profitable products
5. Small scale industries are subject to cost audit
6. Break -even point is that level of output and sales at which there is no profit no loss
7. Standard costing serves as a basis for granting of subsidies and incentives to the industry

Q. 2. (A) From the following information relating to Castrol Ltd., Cochi prepare a flexible Budget at 60% and 80% capacity. **(20)**

Particulars	70 % capacity (Rs.)
a) Variable Overheads-	
i) Indirect Material	5,000
ii) Indirect Labour	15,000
b) Semi-variable Overheads-	
i) Electricity	50,000
Variable- 60%	
Fixed -40%	
ii) Repairs and Maintenance	5,000
Variable- 65%	
Fixed -35%	
c) Fixed Overhead-	
i) Salaries to staff	10,000
ii) Depreciation on machines	14,000
iii) Insurance on machines	(+) 6,000
Total	1,05,000

The company estimated the direct labour hours to be worked at 70% capacity as 70,000 hours. Also calculate the overhead recovery rate at 60%, 70% and 80% capacities.

OR

(B) What is variance analysis? Explain in brief the different types of variances?

Q. 3. (A) Given is the data of M/s Tangent Hadaore and company **(10)**

	Rs.
Fixed Cost per unit	40,000
Variable Cost per unit	2
Sales	2, 00,000
Selling Price per unit	10

Find out the following

- i) P/v ratio
- ii) BEP (sales)
- iii) Profit when sales are Rs. 1, 20,000
- iv) Sales required to earn a profit of Rs. 60,000/-

(B) Write short notes. (Any 4)**(20)**

1. Margin of Safety
2. Geographical presentation – Behavior of Fixed cost
3. Advantages of Target costing
Meaning of uniform costing
4. Objectives of Budgetary Control
5. Budget and Budgeting
6. Budgeting

Q. 4. Solve the following problem (Any 2)**(30)**

1. What is meant by uniform costing? Explain advantages and limitations in details.
2. Following are the details of PQR Ltd. You are required to prepare production budget for 6 months ending on 31st March 2022 for a factory producing four products from the following information.

Product	Estimated stock on 30 th September 2022 (in units)	Estimated sales during September 2021 to march 2022 (in units)	Desired closing stock on 31 st march 2022 (in units)
P	7000	25000	9000
Q	9000	33000	11000
R	10000	40000	8000
S	13000	47000	7000

3. Describe the Advantages and Limitations of Uniform Costing Methods?
4. The sales turnover and profits of Suknya Ltd. are as under:

Period	Sales (Rs)	Profit (Rs)
I	1, 20,000	9,000
II	1, 40,000	13,000

You are required to calculate:-

- 1) P/V ratio
 - 2) Fixed cost
 - 3) Break- even point
 - 4) Sales to earn a profit of Rs- 20,000
 - 5) Profit when sales Rs- 1, 00,000
-