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BACHELOR OF COMMERCE(B.COM)
EXAMINATION – MAY- 2026
FIFTH SEMESTER

Sub.: Techniques of Costing (BCOM23-504C)

Date:18/05/2026

Total Marks: 60

Time: 10.00 am to 12.30 pm

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

Q.1 a) Fill in the blanks (Any 5)

(05)

- _____ can also reveal the fraudulent intentions of the management.
 - Financial audit
 - Cost audit
 - Statutory audit
 - None of these
- _____ is an analytical approach to budgeting.
 - Zero based budgeting
 - Flexible budgeting
 - Production budgeting
 - None of these
- _____ involves identification of strengths and weaknesses of a firm by continuous comparison of performances, efficiencies, costs and profits of different firms in same industry.
 - Uniform costing
 - Inter firm comparison
 - Budgets
 - None of these
- The cost which remains fixed irrespective of level output is known as.....
 - Fixed Cost
 - Variable Cost
 - Semi Variable Cost
 - None of them
- per unit is difference between the selling price of a unit of product or service and its marginal cost.
 - Contribution
 - Profit Volume Ratio
 - Break Even Point
 - Margin of Safety
- A is plan for some specific future period.
 - Standard Cost
 - Budgeting
 - Budget
 - None of them
- The objective of is to secure for optimum working capital.
 - Flexible Budget
 - Cash Budget
 - Zero Based Budgeting
 - None of Them

b) State whether the following statement are true or false (any 5)

(05)

1. At break-even point equals fixed cost
2. Contribution is referred as gross margin
3. Cost audit is part and partial of financial Audit
4. The cash budget is a tool of financial planning
5. Favorable material cost variance when actual cost incurred is more than standard cost
6. Uniform costing may create monopolistic tenderizes within the industry.
7. Target costing provides across functional communication language for the product optimization.

Q.2 a) Define uniform costing. Explain advantages and disadvantages of uniform costing.

(20)

Or

- b) Prepare a cash budget for the months of March, April, and May 2024 on the basis of the following information:

Income and expenditure forecasts:

Months 2024	Credit sales	Credit Purchases	Wages	Manuf. Expenses	Office expenses	Selling expenses
January	50,000	30,000	7,000	3,000	1,000	2,000
February	55,000	32,000	6,000	2,000	1,500	2,500
March	57,000	28,000	8,000	3,000	2,000	2,500
April	52,000	27,000	7,000	2,500	1,500	2,000
May	48,000	29,000	6,500	3,500	1,000	3,000
June	50,000	28,000	6,000	2,000	1,500	3,500

Additional information:

- 1) Opening balance as on 1st March, 2024 Rs- 3000
- 2) Credit allowed by suppliers is 1 months.
- 3) Credit allowed to customers is 2 months.
- 4) Lag in the payment of manufacturing expenses is $\frac{1}{2}$ of earlier month and $\frac{1}{2}$ of that month.
- 5) Wages are paid in the same month.
- 6) Lag in the payment of office and selling expenses is 2 months.

Q. 3 a) From the following information find out (10)

- 1) P/V ratio
- 2) Break- even point
- 3) The profit made when sales are Rs- 2,50,000

Sales = Rs- 2,00,000

Variable costs

Direct material Rs- 37,500

Direct labour Rs- 37,500

Variable overheads Rs- 37,500

Fixed cost Rs- 15,000

b) Write short notes. (Any 2) (05)

1. Types of cost Audit.
2. Features of target costing.
3. Advantages of budgetary control
4. Meaning and limitation of inter-firm comparison.

Q. 4 a) Explain the concept of cost audit and objectives of cost audit in detail. (15)

OR

- b) Following are the details of PQR Ltd. You are required to prepare production budget for 6 months ending on 31st March 2025 for a factory producing four products from the following information.

Product	Estimated stock on 30 th September 2024 (in units)	Estimated sales during September 2024 to march 2025 (in units)	Desired closing stock on 31 st march 2025 (in units)
P	3500	12500	4500
Q	4500	16500	5500
R	5000	20000	4000
S	6500	23500	3500