

(4) **BCH-202(CMA)**

OR

- (b) What do you mean by cost drivers ?
Discuss the importance of cost drivers in activity based costing. (CO4)

5. (a) Discuss the detailed proforma of cost sheet. (CO5)

OR

- (b) Chassen Company, a cracker and cookie manufacturer, has the following unit costs for the month of June : (CO5)

Variable manufacturing cost	Variable marketing cost	Fixed manufacturing cost	Fixed marketing cost
\$5.00	\$3.50	\$2.00	\$4.00

A total of 100000 units were manufactured during June of which 10000 remain in ending inventory. Chassen uses the first-in, first-out (FIFO) inventory method, and the 10000 units are the only finished goods inventory at month-end. Using the full absorption costing method, calculate the value of Chassen's finished goods inventor. (Show detailed calculations)

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Roll No.

BCH-202(CMA)

B. COM. (H) (CMA)

(SECOND SEMESTER)

MID SEMESTER

EXAMINATION, April, 2023

FINANCIAL CONTROL

Time : 1½ Hours

Maximum Marks : 50

Note : (i) Answer all the questions by choosing any *one* of the sub-questions.

(ii) Each sub-question carries 10 marks.

1. (a) Determine the purpose for allocating joint cost to main products. (CO1)

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(2) BCH-202(CMA)

OR

- (b) Tempo Company produces three products from a joint process. The three products are sold after further processing as there is no market for any of the products at the split-off point. Joint costs per batch are \$315,000. Other product information is shown below : (CO1)

	Product A	Product B	Product C
Units produced per batch	20000	30000	50000
Further processing and marketing cost per unit	\$ 0.70	\$3.00	\$1.72
Final sales value per unit	5.00	6.00	7.00

If Tempo uses the net realizable value method of allocating joint costs, how much of the joint costs will be allocated to each unit of Products A, B and C ?

(3) BCH-202(CMA)

2. (a) Make a comparison between fixed cost and variable cost of a product. (CO2)

OR

- (b) Kimber Company has the following unit cost for the current year : (CO2)

Raw material = \$20.00

Direct labour = 25.00

Variable manufacturing overhead = \$ 10.00

Fixed manufacturing overhead = \$ 15.00

Total unit cost = \$70.00

Fixed manufacturing cost is based on an annual activity level of 8000 units. Based on these data, calculate the total manufacturing cost expected to be incurred to manufacture 9000 units.

3. (a) Discuss the purpose of allocating service departmental cost to the production departments. (CO3)

OR

- (b) Discuss the high-low method of separation of fixed and variable cost by giving suitable examples. (CO3)
4. (a) How is the valuation of profit under absorption costing method different from marginal costing method ? (CO4)

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