**College of Applied Business & Technology**

**Sent-up Examination, March 2024**

**BIM IV / Fourth / ACC: 202- Cost and Management Accounting**

**Group-A**

**BRIEF ANSWER QUESTIONS.** **Time- 15 minutes**

**Attempt any two questions:** [2×2=4]

1. Write any two features of fixed cost.
2. Following information are provided:

Total cost at optimum order quantity Rs. 6,400.

Ordering cost per order Rs. 50.

**Required:** No of order.

1. A worker produced 100 units in 180 hours. Standard time allowed for one unit is 2 hours at a wages rate of Rs. 100 per hour.

**Required:** Total wages under Halsey and Rowan plan.

4. Following information are provided:

|  |  |  |
| --- | --- | --- |
| **Items**  Machinery  Area in sq. ft. | **Department ’X’**  Rs. 2,00,000  100 | **Department ’Y’**  Rs. 3,00,000  300 |

Rent expenses Rs. 50,000

Insurance of Assets Rs. 1,00,000

**Required:** Total overheads for department **X** and **Y**

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**Group- B**

**SHORT ANSWER QUESTIONS**.  **Time- 15 minutes**

[1×6=6]

**Attempt any one question:**

**1**.The **income statement** under variable costing for the product **X** and **Y** is given to you:

|  |  |  |  |
| --- | --- | --- | --- |
| **Products** | **X** | **Y** | **Total** |
| Sales unit | 7,500 | 2,500 | 10,000 |
| Sales Revenue  Less Variable cost | 2,25,000  1,12,000 | 25000  12,500 | 2,50000  1,25,000 |
| Contribution margin  Less Fixed cost | 1,12,500 | 12,500 | 1,25,000  50,000 |
| **Net income** |  |  | **75,000** |

**Required:**

1. Weighted contribution margin per unit [1]
2. Over all BEP unit [1]
3. Over all BEP Rs [1]
4. Required sales unit to earn Rs. 25000 [1]
5. Over all BEP unit if sales mix is reversed [2]

**2**.Following overhead related data of a company are provided:

Normal capacity 1,50,000 DLH

Standard time for 1 unit of output is 4 hours

Budgeted allowances **2,25,000 + 8 X units produced**

Unit produced 35,000 unit

Labor hour paid 1,50,000 hours

Total overhead paid Rs. 5,50,000

**Required**: Three overhead variances. [2+2+2]

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**Group- C**

**Comprehensive answer question. Time- 90 minutes**

[1×30 = 30]

**Attempt all questions:**

1. **A**. **United Company** with normal capacity of **20,000** units furnished the following

Information related to two years

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Year I** | **Year II** |
| **Production units**  **Sales units** | 16,000  18,000 | 24,000  20,000 |

Per unit Selling price Rs. 60.

Fixed factory cost Rs. 400,000

Direct material cost Rs.8 per unit

Direct labor cost Rs.6 per unit

Variable factory overhead Rs.4 per unit

Fixed administrative and selling overhead Rs. 20,000

Variable administrative and selling expenses Rs. 4 per unit sold

**Required:**

1. Income statement under Absorption costing for both years. [5]
2. Income statement under Variable costing for both years. [5]
3. Reconciliation statement and reason for the difference in profit.[5]

**B.** Following information are provided

**Standard**

|  |  |  |
| --- | --- | --- |
| **Material** | **Quantity** | **Price per kg** |
| X  Y  Z | 16  4  20 | 5  6  7 |

**Actual**

|  |  |  |
| --- | --- | --- |
| **Material** | **Quantity** | **Price per kg** |
| X  Y  Z | 240  160  400 | 4  5  8 |

**S**tandard loss is 10% and Actual output is 780kg.

**Required**: Possible material variances [5]

**C.** **A hotel** has 125 rooms.80% is occupied for 6 months and 40% is occupied for remaining 6 months. Normal days in a month assumed to be 30 days.

The average cost per person per day are as follows:

Breakfast Rs.36.40

Lunch Rs. 66.60

Dinner Rs. 80

Annual food cost and salary for following services comes to as under

|  |  |  |
| --- | --- | --- |
| **Services** | **Food cost (Rs)** | **Salaries (Rs)** |
| Restaurant  House keeping  General | 6,00,000  3,00,000  1,62,000 | 3,00,000  2,50,000  1,50,000 |

Annual indirect expenses of Rs. 6,60,000 to be apportioned to Restaurant, Housekeeping and General services in the ratio of **3:4:3**

General services cost to be apportioned to Restaurant and Housekeeping in the ratio **5:3**

Profit margin is **25%** on bill amount.

**Required:** Cost statement showing **total charge per guest per day**.[10]