

FAKIR CHAND COLLEGE
B.COM SEMESTER-II (HONOURS/GENERAL/MAJOR) INTERNAL ASSESSMENT
SUBJECT - COST AND MANAGEMENT ACCOUNTING-II

Paper Code: CC4.2CG

Full Marks: 10

Answer any ONE

(1*10=10)

1. A company is expecting to have Rs. 32,000 cash in hand on 1.4.2018 and it requests you to prepare cash budget for the three months, April to June 2018. The following information is supplied to you:

Month	Sales (Rs)	Purchases (Rs)	Wages (Rs)	Expenses (Rs)
February	70,000	44,000	6,000	5,000
March	80,000	56,000	9,000	6,000
April	96,000	60,000	9,000	7,000
May	100,000	68,000	11,000	9,000
June	120,000	62,000	14,000	9,000

Other information:

- Period of credit allowed by the suppliers is 2 months.
 - 25% of sales is for cash and the period of credit allowed to customers for credit sales is 1 month
 - Delay in payment of wages and expenses 1 month.
 - Income tax Rs. 28,000 is to be paid in June 2018.
2. The following figures of sales and profits for two periods are available in respect of a concern:

(10)

Period	Sales (Rs)	Profit (Rs)
I	100,000	15,000
II	120,000	23,000

You are required to find out:

- P/V ratio
- Fixed Costs
- Break-even point
- Desired Profit at an estimated sale of Rs 125,000
- Sales required to earn a profit of Rs.20,000

FAKIR CHAND COLLEGE
B.COM SEMESTER-II (HONOURS/GENERAL/MAJOR) EXAMINATION (Under
CBCS), 2020
SUBJECT - COST AND MANAGEMENT ACCOUNTING- II

PAPER CODE: CC4.2CG

Full Marks: 40

Answer any TWO

1. The trading result of P Ltd. for the two years have been: (5X4=20)

Year	Sales (Rs)	Profit (Rs)
2014	540,000	12,000
2015	600,000	30,000

Compute the following:

- i) P/V Ratio
 - ii) Fixed Costs
 - iii) Break-even sales
 - iv) Margin of Safety for 2015
 - v) Variable costs during the two years.
2. The following data are available from the records of the company: (20)
- | | |
|----------------|-------------|
| Sales | Rs. 120,000 |
| Variable Costs | Rs. 60,000 |
| Fixed Costs | Rs. 30,000 |
- You are required to:
- i. Calculate the P/V ratio, Break-Even-Point, and Margin of Safety at this level
 - ii. Calculate the effect of 5% increase in sale price
 - iii. Calculate the effect of 5% decrease in sale price.
3. A manufacturing company finds that while the cost of making a component in its own workshop is Rs. 8 each, the same is available in the market at Rs.6.50 with an assurance of continuous supply. Give your suggestion whether to make or buy this component. Give also your views in case the supplier reduces the price from Rs.6.50 to Rs.5.50. The cost data is as follows: (20)
- | | |
|---------------------------------------|-----------------|
| Materials | Rs. 3.00 |
| Direct Labour | Rs. 2.00 |
| Other Variable Expenses | Rs. 1.00 |
| Depreciation and other Fixed Expenses | <u>Rs. 2.00</u> |
| | <u>Rs. 8.00</u> |