

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

Paper Code: CC4.2CH

Full Marks: 10

Answer Any ONE from the following

1. (a) You are given the following data for the year 2009 of X lt. :

Variable costs	Rs. 600,000
Fixed Costs	Rs. 300,000
Net profit	Rs. 100,000

Find out

- i. P/V ratio
- ii. Break-Even Point Sales
- iii. Margin of Safety

- (b) Draw a Break Even Point Chart.

(6+4=10)

2. Margin of safety 35% of sales
 Profit 14% of sales
 Fixed Cost Rs.300, 000

Compute

- i. P/V ratio
- ii. Break-even point
- iii. Sales Value
- iv. Margin of Safety
- v. Profit

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

Paper Code: CC4.2CH

Full Marks: 40

Answer any TWO from the following:

1. The Reliable company furnishes you the following information: (5x4=20)

Particulars	First Half (Rs.)	Second Half (Rs.)
Sales	810,000	10,26,000
Profits	21,600	64,800

From the above, you are required to compute the following assuming that fixed cost remains fixed in both the periods:

- P/V ratio
 - Fixed Cost
 - Break-even-point sales
 - The amount of sales required to earn a profit of Rs. 1,08,000
 - Margin of safety for first half.
2. A television manufacturing company finds that while it costs Rs.625 to make a component, the same is available in the market at Rs. 575 each, with an assurance of continued supply. The break- down of costs are as below:

Particulars	Cost per unit (Rs)
Direct Material	275
Direct Labor	175
Factory Overhead (Variable)	50
Depreciation and other fixed overheads	125
TOTAL	625

- Should you make or buy?
- What would be your decision, if the supplier offered the component at Rs.485 per unit? (10+10=20)

3. Prepare a cash budget for three months from March to May 2019 from the following information: (20)

Month	Sales (Rs)	Purchases (Rs)	Wages (Rs)	Other Expenses (Rs)
January	60,000	36,000	7,500	1,500
February	62,000	38,000	7,000	1,000
March	64,000	33,000	8,800	1,200
April	58,000	39,000	8,000	500
May	56,000	37,000	8,500	1,000

Other Information

- Expected cash balance on 1st March, 2019 is Rs. 8,000
- There is no cash sale and credit allowed to customers is for one month.
- There is no cash purchase and credit allowed by suppliers is for two months.
- Time lag in payment of wages and other expenses is one month.
- Advance income tax of Rs.8, 000 is payable in April, 2019.