Other information :

(i) Period of credit allowed by suppliers - w months and 20% sales is for cash and period of credit allowed to customers is 1 month.

(ii) Delay in payment of all expenses-1 month.

(iii) Income tax of ₹57,500 is due to be paid on 15 June 2023.

(iv) Dividend to shareholder and bonus to workers of ₹15,000 and ₹22,500 respectively to be paid in the month of April.

(v) Plant has been purchased and is been ordered and expected to be paid in May. It will cost ₹1,20,000. 10

(b) Write a note on Zero Based Budgeting. 4

8. (a) Progressive Ltd. Manufactures a product with the set mix of :

Material-A : 60% @ ₹20 per kg

Material-B : 40% @ 10 per kg.

Normal los is 20% of input. Actual mix of material is :

Material-A : 105 kg @ ₹20 per kg

Material-B : 95 kg @ 9 per kg

Total	:	200 kgs
Loss	:	35 kgs.
Actual Output	:	165 kg

Calculate material variances. 10

(b) Give an overviews of labour variance. 4

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PG (Even) Semester Examination, 2023

BUSINESS ADMINISTRATION

(2nd Semester)

Course No.: CP-207

(Management Accounting & Control)

Full Marks: 70

Pass Marks: 28

Time: 3 hours

The figures in the right margin indicate full marks for the question.

1. (a) Discuss the importance of management accounting. Distinguish between cost accounting and management accounting. 3+3=6

(b) Cost information relating to Seapax manufacturing for the year inded 31.03.2023 is as follows : 8

Particulars	₹
Purchases of raw materials	40,25,000
Freight inwards	1,00,000
Direct wages-paid	11,56,000
Direct wages-paid in advances (included above)	50,000
Factory overhead	24% of prime cost
Raw materials (opening)	2,30,000
Raw materials (closing)	2,85,000
Work-in-progress (opening)	1,92,500

Work-in-progress (closing)	1,40,500
Administrative Overheads	1,75,000
Selling Expenses	₹17 per unit
Sale of material @ ₹620 per unit	8773000

Opening finished goods were 1200 units @ ₹520 per unit. The firm produced 14200 unit of output during the year. The stock of finished goods at the end of the year is valued at cost of production. Prepare cost sheet for the firm.

2. (a) Discuss job evaluation along with its advantages. Cam proper job evaluation reduce labour turnover? Justify your answer. 3+3=6

(b) From the information given below calculate the total earning and the effective rate of earning of the worker under Rowan Plan. 3+1=4

Time allowed : 3 hrs, Time taken : 25 hrs, Rate per hr : ₹1.50.

(c) Total overhead cost is ₹1.50 cr. When the production is 1,00,000 units and the total overhead expenses/cost is ₹2.50 cr. when the production is 2 lakh units. Find out total fixed overhead cost and variable overhead cost per unit. 4

Or

3. (a) What is overhead? Give a pen picture of classification of overhead. 4

(b) A manufacturing organisation produces three products, Product X, Product Y and Product Z. During last month the total

(b) Sales of SP Ltd. was ₹60,000 yielding profit of ₹1600 in a week. The next week sales increased to ₹78,000 yielding profit of ₹4800. Find out the break-even point. 2

(c) The CVP relationship of a company is represented as : 2+2+2=6

Y= 60,000 + 0.25 X
Where X = Sales and Y= Total cost.

You are required to find out (i) P/V ratio, (ii) BEP, (iii) Sales to earn a profit of ₹28000.

(d) With the help of a graph show BEP Margin of Safety and Angle of Incidence. 3

Or

7. (a) A company expects to have ₹57,000 cash in hand on 01.04.2023 and required you to prepare an estimate of cash position during the three months April to June 2023. The following information is supplied to you :

Month	Sales	Purchases	Wages
Feb	75000	45,000	9,000
Mar.	84,000	48,000	9,750
April	90,000	52,500	10,500
May	1,20,000	60,000	13,500
June	1,35,000	60,000	14,250

Factory Expenses	Office Expenses	Selling Expenses
7,500	6,000	4,500
8,250	6,000	4,500
9,000	6,000	5,250
11,250	6,000	6,570
14,000	7,000	7,000

overhead expenditure of the organisation was ₹2,20,000 and the total labour hours during the period was 20,000 hours. During this period the organisation produced 2,500 units of product Z. Find out the total overhead cost to be absorbed by Product Z. Assume overhead rates are applicable to all products equally. 5

(c) At the time of calculating machine hour rate what basis is adopted for apportionment of power cost, repair cost and depreciation. Discuss the advantage of machine hour rate. 3+2=5

4. (a) Product P is obtained after it is processed through Process I, II and III. The following cost information is available for the operation: 10

	Total (₹)	**Pr.I**	**Pr. II**	**Pr. II**
Material	5625	2600	2000	1025
Direct Wages	7330	2250	3680	1400
Production Overhead	7330	—	—	

500 units @ ₹4 per unit were introduced in Process-I. Production overheads are absorbed as a percentage of direct wages. The actual output and normal loss of the respective processes are :

	Output (Units)	**Normal Loss**	**Value of Scrap (₹)**
Pr.-I	450	10%	2
Pr.-II	340	20%	4
Pr.-III	270	25%	5

There is no stock or work-in-progress in any process. Prepare Process Accounts showing all calculations. 10

(b) What is escalation clause in a contract? Hos is a fixed cost contract different from cost plus contract. 2+2=4

Or

5. (a) Distinguish between Specific Order Costting and continuous Operation Costing. 4

(b) The information given below has been taken from the costing records of an Engineering works in repect of Job No. 333.

Material : ₹4010

Wages : Dept.A : 60 hrs @ ₹3 per hr.

Dept. B : 40 hrs @ ₹2 per hr.

Dept. C : 20 hrs @ ₹5 per hr.

Overhead expenses for these departments were estimated as follows :

Dept.-A : ₹5000 for 5000 labour hours

Dept.-B : ₹3000 for 1500 labour hours

Dept.-C : ₹2000 for 500 labour hours

Fixed overhead estimated at ₹20,000 for 10,000 normal working hours. Calculate cost of Job 333 and price to be quoted to give profit of 25% on selling price. 10

6. (a) Point out the difference between Absorption Costing and Marginal Costing. 3