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Name.....

Reg. No.....

SECOND SEMESTER M.Com. DEGREE EXAMINATION, APRIL 2020

(CUCSS - PG)

CC19P MCM2 C08 - ADVANCED COST ACCOUNTING

(Commerce)

(2019 Admissions: Regular)

Time: Three Hours

Maximum: 30 Weightage

PART A

Answer any *four* questions. Each question carries 2 weightage.

1. What is Productivity Index?
2. What is Kaizen Costing?
3. What is profit centre?
4. Explain JIT.
5. What is transfer pricing?
6. What is equivalent production?
7. What is backflush accounting?

(4 x 2 = 8 Weightage)

PART B

Answer any *four* questions. Each question carries 3 weightage.

8. P Ltd. Manufactures three products – A, B and C. The actual joint expenses of manufacture for a period were Rs.8000. It was estimated that the profit on each product as a percentage of sales would be 30%, 25% and 15% respectively. Subsequent expenses in rupees were as follows.

	A	B	C
Materials	100	75	25
Direct wage	200	125	50
Overhead	150	125	75
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	450	325	150
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Sales	6000	4000	2500

Prepare a statement showing the apportionment of the joint expenses of manufacture over different products.

(1)

Turn Over

9. The variable cost per unit of a division comprises of material Rs.200, labour cost Rs.150, and variable overhead Rs.50 respectively. The units produced by the division are 10000 units. The fixed expenses amounted Rs. 4, 00,000. The required rate of return is 20% on transfer price. Find out the transfer price. Explain Pareto analysis.
10. Describe the implementation of TOC.
11. Explain ABC.
12. Distinguish between cost accounting and financial accounting.
13. Explain CVP analysis.
14. A company manufactures a chemical product by a series of operations in three processes. Raw material is fed into process A and the finished chemical that comes out of process C is transferred to finished goods store. The following particulars relating to operations for April 2019 are given below:

	Process A	Process B	Process C
Raw materials issued	960000		
Direct wages	125600	172000	142500
Overhead costs	168000	177280	124690
Normal processing loss (%of input)	3	2	1
Output transferred to next process	74000 Kgs	69400 kgs	69000Kgs
Work in progress	3000	2400	----

Prepare the accounts of Process A, B, and C and also abnormal loss, abnormal gain account, if any.

(4 x 3 = 12 Weightage)

PART C

Answer any *two* questions. Each question carries 5 weightage.

15. Define Value chain analysis and explain Porter’s value chain.
16. H Ltd. provides the following information relating to its product X and Y.

	X	Y
Yearly output	3000 units	30000 units
No.of machine hours per unit	4	4
No,of labour hours per unit	8	8
Total machine hours	12000	120000
Total labour hours	24000	240000
No.purchase orders	240	480
No.of setup	120	180

The overhead cost of the activities has been as under:

Volume related	330000
Purchase related	360000
Set-up related	630000

	1320000

Calculate the total cost of the two products separately under

(1) Traditional costing system and (2) Activity based costing method.

17. Explain the treatment of special expenses in costing.
 18. From the following details, Prepare statement of equivalent production, Cost per unit of equivalent production and prepare necessary accounts.
- | | |
|--|-----------|
| Number of units introduced in the process | 4000 Nos. |
| Number of units completed and transferred to Process B | 3200 Nos. |
| Number of units in process at the end of the period | 800 Nos. |

Stage of Completion

Material	80%
Labour	70%
Overhead	70%

Normal process loss at the end of the process 200 units.

Value of Scrap Rupee	Rupee 1 per unit
Value of raw materials	Rs.7480
Wages	Rs.10680
Overheads	Rs. 7120

(2 x 5 = 10 Weightage)

(3)