

**2023**

**Time - 3 hours**

**Full Marks - 80**

*Answer ALL questions.*

*Figures in the right hand margin indicate marks.*

1. (a) Differentiate between Financial Accounting and Cost Accounting. [10]
- (b) What are Cost Accounting Standards ? Discuss the list of Cost Accounting Standards (CAS). [10]

OR

The P/V ratio of X Ltd. is 50% and margin of safety is 40%. The company sold 500 units for ₹ 5,00,000. [20]

You are required to calculate :

- (i) Break-even-point
  - (ii) Sales in units to earn a profit of 10% on sales.
2. (a) What are the basic differences between job order and process cost systems ? [10]
  - (b) Write a note on activity based costing. [10]

[ 2 ]

OR

From the following information, prepare process accounts :

[20

X Article passes through two processes. The costs of the processes are :

	<u>Process-A (₹)</u>	<u>Process-B (₹)</u>
Labour	45,100	27,360
Manufacturing expenses	21,000	14,400

2,000 units are introduced to process A at a cost of ₹ 5 per unit.

The output of each process is :

Process - A : 1,800 units

Process - B : 1,640 units

Normal wastage of each process is 5% and 10% of units introduced respectively. The scrap is saleable at ₹ 1 and ₹ 2 per unit of each process respectively.

3. For production of 10,000 electrical irons, the following are budgeted expenses : [20

<u>Particulars</u>	<u>Per unit (₹)</u>
Direct materials	60
Direct labour	30

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Variable overheads	25
Fixed overheads ( ₹ 1,50,000)	15
Variable expenses (direct)	5
Selling expenses (10% fixed)	15
Adm. Expenses ( ₹ 50,000 rigid at all levels of production)	5
Distribution expenses (20% fixed)	5
	160

Total cost of sales per unit is ₹ 160.

Prepare a budget for production of 6,000, 7,000 and 8,000 units.

OR

What is the significance of term variance ? Define and explain what do you understand by the following : [20

(i) Material variances

(ii) Labour variances

4. (a) Discuss the responsibility accounting and its rationale. [10

(b) Discuss briefly the nature and various types of responsibility centres. [10

[ 4 ]

OR

- (a) What is transfer pricing ? Discuss the methods of transfer pricing. [10]
- (b) Write a note on Target Costing. [10]