

Total No. of Questions : 4]

SEAT No. :

P3369

[Total No. of Pages : 3

[4864]-2005

M.Com. (Semester - II)

ADVANCED COST ACCOUNTING AND COST SYSTEMS

Application of Cost Accounting

(2013 Pattern) (Special Paper - III) (Credit System)

Time : 3 Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) *Attempt all questions.*
- 2) *Figures to the right indicate full marks.*
- 3) *Use of calculator is allowed.*

Q1) a) The financial books of a company show a net profit of ₹.2,57,510 for the year ending 31st December. The cost accounts show a net profit of ₹.3,44,800 for the same corresponding period. The following facts are brought to light. Prepare a reconciliation statement. **[11]**

	₹.
Under-recovery of factory OHS in cost a/c.	6,240
Over-recovery of OHS in cost a/c	3,400
Depreciation in financial a/c	22,400
Depreciation in cost a/c	2,500
Interest on investment not included in cost	16,000
Loss of obsolescence charged in financial a/c	11,400
Income tax debited in financial a/c	80,600
Bank interest and dividend credited to financial account	2,450
Loss in stock not charged in cost a/c	13,500

b) Approach for assessing competitive advantage. **[3]**

OR

a) The net profit shown by financial accounts amounted to ₹.2,85,500 while the profit as per cost accounts for the period were ₹.3,88,600. On reconciliation, the following differences were noticed.

P.T.O.

- i) The following items were included in the financial books.
- | | |
|-------------------------|----------|
| Directors fees (Dr.) .. | ₹. 6,500 |
| Bank interest (Cr.) .. | ₹. 300 |
| Income Tax (Dr.) .. | ₹.83,000 |
- ii) Bad-doubtful debts for ₹.5,700 were written off in financial books.
- iii) Overheads in cost accounts absorbed were ₹.85,000 while the actuals were ₹.83,200.
- iv) A net loss of ₹.10,000 on sale of old machinery was dealt with in the financial books.

Reconcile the profit between the cost & financial a/c. [11]

- b) Human aspect of productivity. [3]

Q2) From the following figures of “Goodwill Co. Ltd,” calculate overhead rate

- a) when normal capacity is related is practical capacity
 b) when normal capacity is related to sale expecting and
 c) when normal capacity is related to maximum capacity

<u>Capacity level</u>	<u>Maximum</u>	<u>Practical</u>	<u>Avg. expected sales</u>
Direct labour	100%	90%	80%
Hours	5,000	4,500	4,000
Budget-Fixed OHS	15,000	15,000	15,000
Variable OHS	10,000	9,000	8,000

[14]

OR

Following information is obtained from a factory :

Daily working hours	8
No. of working days in a week	6
No. of operators	20
Standard Hours - per unit during a particular week	4
No. of units produced	48
Absentee man - days	40
Idle time due to local sheeding	30 man days

Calculate :

[14]

- a) Absenteeism percentage
- b) Labour utilisation percentage
- c) Productive efficiency of labour
- d) Overall productivity of labour in terms of units produced per weeks.

Q3) What is products life cycle costing? Discuss the stages and benefits of Life cycle costing. [14]

OR

Define the Value Chain Analysis? State the role of Management Accountant in Value Chain Analysis. [14]

Q4) Write short notes on (any Two) : [8]

- a) Features of product life cycle costing.
- b) Reasons for Reconciliation between Cost and Financial a/c.
- c) Technical measures to improve productivity.
- d) Business Process Re-engineering.

