



**PRAHLADRAI DALMIA LIONS COLLEGE  
OF COMMERCE & ECONOMICS  
ISO 21001:2018 Certified**

Date: 12<sup>th</sup> November, 2024

**NOTICE**

**M.COM PART I (ADVANCED ACCOUNTANCY)  
Cost & Management Accounting Assignment**

**INSTRUCTIONS FOR THE STUDENTS:**

1. **Submission of the Assignment, Date & Time of Viva Voce- 29<sup>th</sup> November, 2024**
2. Students have to be present in person for the submission.
3. Submission of assignments to be done on **proper A4 size paper, handwritten by the candidate himself only**. The Front page should contain details of Roll no, Name of the student, Semester, Subject.
4. Print out of the questions uploaded should be attached along with the project.
5. On the date of submission there will be a viva voce on the given questions/topics.
6. If the student fails to present himself on the given date and time he will be marked **ABSENT** for the said subject.
7. Any Submissions after the above mentioned date and time will not be accepted and entertained under any circumstances.

## Internal Question

Q.1	A)	[15 Marks]																																				
		<table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Product</th> <th colspan="2">Budgeted Sales</th> <th colspan="2">Actual Sales</th> </tr> <tr> <th>Quantity</th> <th>Price</th> <th>Quantity</th> <th>Price</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;">10000</td> <td style="text-align: center;">20</td> <td style="text-align: center;">15000</td> <td style="text-align: center;">28</td> </tr> <tr> <td style="text-align: center;">B</td> <td style="text-align: center;">15000</td> <td style="text-align: center;">24</td> <td style="text-align: center;">20000</td> <td style="text-align: center;">16</td> </tr> </tbody> </table> <p>From the above information calculate the following variances</p> <ol style="list-style-type: none"> <li>a. Sales Value Variance</li> <li>b. Sales Mix Variance</li> <li>c. Sales Price Variance</li> <li>d. Sales Quantity Variance</li> <li>e. Sales Volume Variance</li> </ol>	Product	Budgeted Sales		Actual Sales		Quantity	Price	Quantity	Price	A	10000	20	15000	28	B	15000	24	20000	16																	
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Q.2	<p>The sales and profits of Pillai Ltd. during two years are given below:</p> <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th>Year</th> <th>Total Sales (Rs.)</th> <th>Total Cost (Rs.)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2020</td> <td style="text-align: center;">3,00,000</td> <td style="text-align: center;">2,60,000</td> </tr> <tr> <td style="text-align: center;">2021</td> <td style="text-align: center;">3,40,000</td> <td style="text-align: center;">2,90,000</td> </tr> </tbody> </table> <p>You are required to compute:</p> <ol style="list-style-type: none"> <li>i. P/V Ratio</li> <li>ii. Break-even Point</li> <li>iii. Sales required to reach a profit of Rs. 40,000</li> <li>iv. Profit made when sales amount is Rs. 2,50,000</li> <li>v. Margin of Safety when sales are Rs. 2,50,000</li> </ol>		Year	Total Sales (Rs.)	Total Cost (Rs.)	2020	3,00,000	2,60,000	2021	3,40,000	2,90,000																											
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Q.3	<p>A. The cost of an article at capacity level of 5,000 units is given below.</p> <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th>Particulars</th> <th>Rs.</th> <th>variable cost</th> </tr> </thead> <tbody> <tr> <td>Material Cost</td> <td style="text-align: right;">25,000</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>Labour Cost</td> <td style="text-align: right;">15,000</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>Power</td> <td style="text-align: right;">1,250</td> <td style="text-align: right;">80%</td> </tr> <tr> <td>Repairs and Maintenance</td> <td style="text-align: right;">2,000</td> <td style="text-align: right;">75%</td> </tr> <tr> <td>Stores</td> <td style="text-align: right;">1,000</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>Inspection</td> <td style="text-align: right;">500</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Depreciation (Fixed)</td> <td style="text-align: right;">10,000</td> <td></td> </tr> <tr> <td>Administration overheads</td> <td style="text-align: right;">5,000</td> <td style="text-align: right;">25%</td> </tr> <tr> <td>Selling overheads</td> <td style="text-align: right;">3,000</td> <td style="text-align: right;">50%</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>62,750</b></td> <td></td> </tr> <tr> <td>Cost per unit</td> <td style="text-align: right;">12.55</td> <td></td> </tr> </tbody> </table> <p>Find the unit cost of the product under each individual expenses at production levels of 4,000 units and 6,000 units.</p> <p style="text-align: center;"><b>OR</b></p> <p style="text-align: right;">[12 Marks]</p>		Particulars	Rs.	variable cost	Material Cost	25,000	100%	Labour Cost	15,000	100%	Power	1,250	80%	Repairs and Maintenance	2,000	75%	Stores	1,000	100%	Inspection	500	20%	Depreciation (Fixed)	10,000		Administration overheads	5,000	25%	Selling overheads	3,000	50%	<b>Total</b>	<b>62,750</b>		Cost per unit	12.55	
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Q.4

A. Pankaj Automobiles distributes its goods to regional dealer using a single lorry. The dealer's premises are 80 km away by road. The lorry has a capacity of 10 tonnes and makes the journey twice a day fully loaded on the outward journeys and empty on return journey. The following information is available for a Four Weekly period during the year 2023:

Petrol Consumption	16 km per litre
Petrol Cost	Rs. 26 per litre
Oil	Rs. 200 per week
Driver's Wages	Rs. 800 per week
Repairs	Rs. 200 per week
Garage Rent	Rs. 300 per week
Cost of lorry (excluding tyres)	Rs. 9,00,000
Life of lorry	1,60,000 km.
Estimated sale value of lorry at the end of its life	Rs. 1,00,000
Cost of tyres	Rs. 12,500
Life of tyres	50,000 km.
Insurance	Rs. 13,000 per annum
Vehicle license cost	Rs. 2,600 per annum
Other overhead cost	Rs. 83,200 per annum

The lorry operates on a five day week.

Required:

- A statement to show the total cost of operating the vehicle for the four weekly periods analyzed into running costs and fixed costs.
- Calculate vehicle cost per kilometers and per tonne kilometers.

**[12 Marks]**

Q.5

A) TVS Tyres Ltd had budgeted production of 10,000 units. The expenses are as follows:

**[15 Marks]**

Particulars	Cost Per Unit (Rs.)
Materials cost	70
Wages cost	25
Direct Expenses	5
Variable Overheads	20
Fixed Overheads (Rs. 1,00,000)	10
Administrative Overheads (Rs. 50,000) (100% fixed)	5
Selling Overheads (10% Fixed)	13
Distribution Overheads (20% Fixed)	7

Prepare a Flexible Budget for the production of 6,000 units, 8,000 units and 10,000 units showing Variable Cost, Fixed Cost in Total and Cost Per Unit at each level of production.

Q.6

A) **[15 Marks]**

Product	Standard			Actual		
	SQ	SP	SC	AQ	AP	AC
X	800	50	40,000	840	45	37,800
Y	400	20	8,000	480	25	12,000
Z	200	15	3,000	180	15	2,700
*	1,400	*	51,000	1,500	*	52,500
Normal Loss	50	*	*	150	*	*
<b>Total</b>	<b>1,350</b>	<b>*</b>	<b>51,000</b>	<b>1,350</b>	<b>*</b>	<b>52,500</b>

From the above information calculate the following variances:

- Material Cost Variance
- Material Price Variance
- Material Usage Variance
- Material Mix Variance
- Material Yield Variance

Q.7

3. Following information is furnished by Himesh Ltd:

	Sales	Profit
Year 2017	Rs 1,20,000	Rs. 8,000
Year 2018	Rs 1,40,000	Rs. 13,000

Find out:

- Profit Volume Ratio.
- Break Even Point (BEP).
- Profit when sales are Rs 1,80,000
- Sales to earn profit of Rs. 12,000
- Margin of Safety in the year 2018.

Q.8

1. A newly started SSG Co.Ltd wishes to prepare Cash Budget from May. You are required to prepare a Cash Budget for the first six months from the following estimated revenue and expenses. [15 Marks]

Month	Total Sales Rs.	Materials Rs.	Wages Rs.	Overheads	
				Production Rs.	Selling & Distribution Rs.
May	20,000	20,000	4,000	3,200	800
June	22,000	14,000	4,400	3,300	900
July	24,000	14,000	4,600	3,300	800
August	26,000	12,000	4,600	3,400	900
September	28,000	12,000	4,800	3,500	900
October	30,000	16,000	4,800	3,600	1,000

Cash balance on 1<sup>st</sup> May was Rs.10,000. A new machine is to be installed at Rs.30,000 on credit to be repaid by two equal instalments in July and August.

Sales commission at 2.5% on total sales is to be paid within the month following actual sales.

Rs.10,000 being the amount of second call may be received in July, share premium amounting to Rs.2,000 is also obtainable with second call.

- Period of credit allowed by suppliers is to be two months.
- Period of Credit allowed to customers is to be one month.
- Delay in payment of overheads is to be one month.
- Delay in payment of wages is 15 days (i.e ½ month).
- Assume cash sales to be 50% of total sales.

Q.9

2. From the following particulars, calculate material variances including material sub-variances. The standard mix required for a product is [15 Marks]

Material A-60% at standard price Rs.40 per kg and  
Material B- 40% at standard price Rs.60 per kg

Normal loss is 10% of total input.

Actual output obtained during the period was 3,600 units for which actual consumption of materials are:

Material A- 2,550 kgs @ Rs.42 per kg

Material B-1,750 kgs @ Rs.59 per kg

Q.10

3. Z Ltd produces and sales a single article at Rs.10 each. The marginal cost of production is Rs.6 each and fixed cost is Rs.400 per annum. [15 Marks]

Calculate:

- P/V Ratio
- The Break-Even Sales (in Rs. And Nos.)
- The sales to earn a Profit of Rs.500
- Profit at sales of Rs.3,000
- New Break Even Point if sales price is reduced by 10%
- Margin of safety at sales of Rs.1,500 and
- Selling price per unit if the Break Even Point is reduced to 80 units.