

**S. B. B. Alias APPASAHEB JEDHE ARTS, COMMERCE & SCIENCE COLLEGE, PUNE 02.**

**TERM END EXAM - 2016 - 2017**

**SUBJECT :- COST & WORKS ACCOUNTING - (III)**

T.Y. B.Com.

Time - 2 hrs.

Marks - 60

**Instruction -**

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.
- 3) Use of calculator is allowed.

**Q.1 (A) State whether the following statements are True or False. (Any 3) 3**

1. Break even point is that point at which there is either profit or loss.
2. Budgets are action plans.
3. Interfirm comparison is a natural outcome of variable costing.
4. Contribution is equal to fixed cost + profit.
5. Uniform costing is not a separate technique of costing.

**(B) Fill in the blanks. (Any 3) 3**

1. Fixed cost = Total cost - .....
2. Marginal costing is also known as ..... costing.
3. A ..... budget is nothing but a cash flow statement.
4. Under ..... system the firms follow the same method of stock valuation.
5. .... comparison is the technique of comparing the performance of a firm in an industry.

**(C) Write short notes on. (Any 3) 12**

1. Objectives of MIS
2. Uniform cost manual
3. Break even point
4. Advantages of Budgetary control
5. Limitations of Interfirm comparison

**Q.2 What is Interfirm comparison? State objectives & advantages of Interfirm Comparison. 12**

**OR**

**What do you mean by MIS? Explain procedure of MIS.**

Year	Sales (Rs)	Profits (Rs)
2012	1,20,000	9,000
2013	1,40,000	13,000

**Assuming that the cost structure & selling price remain unchanged in the two years, find out:**

- i) P/V Ratio
- ii) Break even point
- iii) Profit when sales are Rs. 1,00,000
- iv) Sales required to earn a profit of Rs. 20,000

Q.4 The expenses budgeted for production of 10000 units in a factory are furnished below:

15

Particulars	Per Unit (Rs.)
Materials	70
Labour	25
Variable overheads	20
Fixed overheads (Rs. 1,00,000)	10
Direct expenses	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administration expenses (Rs. 50,000)	5
<b>Total</b>	<b>155</b>

Prepare a budget for production of 8000 units & 6000 units showing total & units cost. Assume that administration expenses are rigid for all levels of production.

