

(6 pages)

MAY 2013

P/ID 77716/MBN2A

Time : Three hours

Maximum : 100 marks

SECTION A — (10 × 3 = 30 marks)

Answer any TEN questions.

All questions carry equal marks.

Write short notes on the following :

1. Cost centers.
2. LIFO.
3. Reconciliation of cost.
4. ABC analysis.
5. FIFO.
6. SAM.
7. Absorption.
8. Administration.
9. Liquidity.

10. Capital structure.
11. Marginal costing.
12. Break even analysis.

SECTION B — (5 × 6 = 30 marks)

Answer any FIVE questions.

All questions carry equal marks.

13. What is a cost sheet? What are its characteristic features?
14. From the following information, find out the economic order quantity and the number of order placed in the year.

Annual consumption 120 units.

Buying cost per order Rs. 20

Price per unit Rs. 100

Storage and carrying cost as a percentage of average inventory 12%.

15. Enumerate the advantages and disadvantages of a centralized stores system.

16. What is meant by overhead charges? Explain the classes of overhead.
17. From the following details, find out :
- (a) Current assets
 - (b) Current liabilities
 - (c) Liquid assets
 - (d) Stock

Given : current ratio 2.5

Liquidity ratio 1.5

Working capital Rs. 60,000.

18. What are turnover ratio? Discuss their significance.
19. What are the basic objectives for compiling a statement of sources and applications of funds?
20. From the following information, find out the amount of profit earned during the year using the marginal costing technique.

Fixed cost Rs. 5,00,000

Variable cost Rs. 10 per unit

Selling price Rs. 15 per unit

Output level 1,50,000 unit

SECTION C — (2 × 20 = 40 marks)

Answer any TWO questions.

All questions carry equal marks.

21. From the following particulars you are required to prepare a statement showing
- (a) The cost of materials consumed
 - (b) Prime cost
 - (c) Works cost
 - (d) Total cost, and
 - (e) Cost of sales and profit.

	Rs.
Stock of finished good on (31.12.2003)	73,000
Stock of raw materials on (31.12.2003)	35,000
Purchase of raw materials	7,60,000
Productive wages	5,20,000
Stock of finished goods (31.12.2004)	82,500
Stock of raw materials (31.12.2004)	37,500
Sales of finished goods	15,45,800
Works overhead charges	1,30,200
Office and general charges	69,700

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22. The receipts side of the stores ledger account shows the following particulars.

Jan. 1 Opening balance 500 units @ Rs. 4 per unit
Jan. 5 Received 200 units @ Rs. 4.25 per unit
Jan. 12 Received 150 units @ Rs. 4.10 per unit
Jan. 20 Received 300 units @ Rs. 4.50 per unit
Jan. 25 Received 400 units @ Rs. 4.00 per unit

Issues of the materials are as follows :

Jan. 4 Issued 200 units
Jan. 10 Issued 400 units
Jan. 15 Issued 100 units
Jan. 19 Issued 100 units
Jan. 26 Issued 200 units
Jan. 30 Issued 250 units

Write out stores ledger account pricing the issues of the principle of FIFO and LIFO.

23. Explain the break-even analysis in the profit planning.

24. From the following data calculate

- (a) BEP expressed in amount of sale in rupees.
- (b) Number of units that must be sold to earn a profit of Rs. 60,000 per year

Sales price	Rs. 20 per unit
Variable manufacturing expenses	Rs. 11 per unit
Variable selling cost	Rs. 3 per unit
Fixed factory overheads	Rs. 5,40,000 p.a
Fixed selling cost	Rs. 2,52,000 p.a
