Dr. Babasaheb Ambedkar Open University
Term End Exam August – 2010

Course Code : DACA-03 Roll No.______________

Subject : Marginal Cost Accounting Marks : 70

Date : 03-08-2010

Time : 11:00 to 02:00

Note : All questions carry equal marks.

Que 1: Explain meaning and scope uniform costing. Discuss advantages and limitations of uniform costing.

OR

Que 1: What do you mean by inter-firm comparison ? Discuss purpose and advantages of inter-firm comparison.

Que 2: Pass journal entries relating to the following transactions presuming that the concern is following integral system of accounting for Maruti Ltd.

(1) Sales for the period were Rs. 5,10,000 as compared to the budgeted sales of Rs. 5,0,000.
(2) Goods of Rs. 3,05,000 purchased as compared to standard cost of Rs. 3,00,000.
(3) Production wages paid Rs. 56,000 as compared to standard cost of Rs. 55,000.
(4) Production overheads amounted to Rs. 76,000 as compared to standard cost of Rs. 75,000.

OR

Que 2 : Himalaya Ltd. has adopted Integrated Accounting System. Journalize the following transactions for December 2007 and prepare Wages Control Account :

Direct Wages Paid	Rs. 53,400
Direct Wages Charged to Production	Rs. 51,600
Indirect Wages Paid	Rs. 11,500
Indirect Wages Allocated	Rs. 1,500
Wages for Repairs	Rs. 800

(P.T.O)

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Que 3: The following figures are available for the records of Venus enterprises as at 31 march

	2000 Rs. Lakhs	**2001 Rs. Lakhs**
Sales	150	200
Profit	30	50

Calculate

a. The P / V Ratio and Total fixed Expenses.
b. The Break – Even level of Sales .
c. Sales required to earn a profit of Rs. 90 Lakhs.
d. Profit or Loss that would arise if the sales were Rs. 280 Lakhs.

OR

Que 3: A factory engaged in manufacturing plastic buckets is working at 40% capacity and produces 10,000 buckets per annum. The present cost break – up for one bucket is as given below :

Material	Rs. 10
Labour cost	Rs. 3
Over Head	Rs. 5 (60% Fixed)

The selling price is Rs. 20 per buckets If it is decided to work the factory at 50% of capacity, the selling price falls by 3 %. At 90 % capacity, the selling price falls by 5 % accompanied by a similar fall in the prices of materials. You are required to calculate the profit at 50% and 90% capacities and also calculate break even points for the same capacity productions.

Que 4: R & Co. produces standard product for which costs per unit are as under.

Raw Material	Rs. 15
Labour cost	Rs. 10
Direct Expenses	Rs. 3
Variable overheads	Rs. 2

Semi – variable overheads at 100% capacity utilization (1000 units) are expected to be Rs. 10000 and these overheads vary in steps of Rs. 1000 for each charge output of 100 units. Fixed overheads are estimated at Rs. 15000. Products are expected to be sold at Rs. 80 / per unit.

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You are required to prepare Flexible Budget for 100% , 90%, 70% and 50% level of activity.

OR

Que- 4: Define Term Budget and Budgetary Control. Discuss types of budgets.

Que – 5: Write Short Notes. (Any Two)

(a) Objectives of Budgetary Control.
(b) Cost Volume Profit Analysis.
(c) Types of Responsibility Centre.
(d) Utility of Break Even Analysis.

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