2012

Time: 3 hours
Full Marks: 80

Candidates are required to give their answers in their own words as far as practicable.
The figures in the margin indicate full marks.
Answer from both the Groups as directed.

Group - A
(Objective Type Questions)

Answer all questions:

1. Choose the correct answer of the following:
   2 × 10 = 20

(a) Debit and credit balance of journal balance should match:
   (i) Always
   (ii) Sometimes
   (iii) Both (i) and (ii)
   (iv) None of these

CX – 27/3   (Turn over)
(b) Building purchase is the expenditure of:
   (i) Capital nature
   (ii) Revenue nature
   (iii) Deferred Revenue nature
   (iv) None of these

(c) 15% debenture is:
   (i) General liability
   (ii) Total liability
   (iii) Fixed liability
   (iv) None of these

(d) Factory Cost is known as:
   (i) Prime Cost
   (ii) Overheads
   (iii) Direct Cost
   (iv) None of these

(e) Break Even Point is the point where:
   (i) Point of minimum profit
   (ii) Point of maximum profit
   (iii) Point shows Zero Profit and Zero Profit
   (iv) None of these
Indicate which of the statements are true by writing "T":

(f) Variable cost per unit remains constant.

(g) Marginal cost is not helpful for decision making.

(h) Cost Accounting System is restricted to manufacturing activity only.

(i) Administration costs are mostly fixed.

(j) Costing is exactly the same thing as Cost Accounting.

Group – B

(Long-answer Type Questions)

Answer any four questions: \(15 \times 4 = 60\)

2. Discuss the relationship between Cost Accounting and Management Accounting. Enumerate the chief feature of Management Accountancy.

3. Discuss briefly the limitations of Financial Statements.

CX – 27/3 (3) (Turn over)
4. Discuss the importance of the following terms in relation to Marginal Costing:
   (a) Key factors of production
   (b) Break-even point
   (c) Margin of Safety

5. Define 'Standard Cost' and 'Standard Costing'. In which type of industries standard costing is employed?

6. The following figures for profit and sales are obtained from the accounts of ABC Ltd.:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (Rs.)</th>
<th>Profit (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>20,000</td>
<td>2,000</td>
</tr>
<tr>
<td>2010</td>
<td>30,000</td>
<td>4,000</td>
</tr>
</tbody>
</table>

Calculate:
   (a) P/V Ratio
   (b) Fixed Cost
   (c) Break-even Sales
   (d) Profit at sales Rs. 40,000

CX - 27/3 (4) Contd.
7. Calculate Gross Profit from the following information:

<table>
<thead>
<tr>
<th>Description</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital as on 01.01.2010</td>
<td>20,500</td>
</tr>
<tr>
<td>Drawing made during the year</td>
<td>5,000</td>
</tr>
<tr>
<td>Fresh capital introduced during the year</td>
<td>15,000</td>
</tr>
<tr>
<td>Purchased a cycle for Proprietor</td>
<td>100</td>
</tr>
<tr>
<td>Capital as on 31.12.2010</td>
<td>27,500</td>
</tr>
</tbody>
</table>

8. Write notes on the following:
   (a) Cost-Volume-Profit Analysis
   (b) Fund Flow Statement

9. From the following data, prepare a reconciliation statement:

<table>
<thead>
<tr>
<th>Description</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit as per Cost Account</td>
<td>1,45,500</td>
</tr>
<tr>
<td>Works overheads under-recovered</td>
<td>9,500</td>
</tr>
<tr>
<td>Administrative overheads</td>
<td></td>
</tr>
<tr>
<td>under-recovered</td>
<td>22,750</td>
</tr>
<tr>
<td>Selling overheads over-recovered</td>
<td>19,500</td>
</tr>
<tr>
<td>Overvaluation of opening stock in cost Accounts</td>
<td>15,000</td>
</tr>
</tbody>
</table>

CX – 27/3 (5) (Turn over)
Overvaluation of closing stock in cost Accounts 7,500
Interest earned during the year 3,750
Rent received during the year 27,000
Bad debts written off during the year 9,000
Preliminary expenses written off during the year 18,000

10. Prepare a Cost Sheet in detail giving imaginary figures.