

<b>Name:</b>	 <b>UPES</b> UNIVERSITY WITH A PURPOSE
<b>Enrolment</b>	
<b>No:</b>	
<b>SAP ID:</b>	

<b>UNIVERSITY OF PETROLEUM AND ENERGY STUDIES</b>	
<b>Online End Semester Examination, December 2020</b>	
<b>Course: Cost Accounting</b>	<b>Semester: III</b>
<b>Program: BCOM LLB HONS (TL)</b>	<b>Time 03 hrs.</b>
<b>Course Code: CLNL 3004</b>	<b>Max. Marks: 100</b>

**SECTION A**

**1. Each Question will carry 5 Marks**  
**2. Instruction: Select the correct answer.**

S. No.	Question	CO
Q 1	What will be the B.E.P. if Variable cost ratio is 70% and Fixed cost is Rs.36,000. A. Rs.3,20,000 B. Rs.2,20,000 C. Rs.1,20,000 D. None of the above	<b>CO2</b>
Q 2	If prime cost Rs.48,000, office cost Rs.60,000, office overhead 50% of factory overheads then factory cost would be: A. Rs.6,000      B. Rs.54,000      C. Rs.56000      D. Rs.28,000	<b>CO2</b>
Q 3	If raw material used is Rs.8,000 and direct labour cost is Rs.6,000 on a work order carried out, then factory overheads absorbed @ 15% on Prime Cost will be: A. Rs.1,200      B. Rs.900      C. Rs.210      D. Rs.2,100	<b>CO2</b>
Q 4	Determine P/V ratio if Sales is Rs.1,00,000, Fixed cost is Rs.30,000 and Profit is Rs.20,000. A. 25% B. 50% C. 45% D. None of the above	<b>CO2</b>
Q 5	Total cost of a product is Rs.10,000; Profit is 25% on selling price; then Profit is _____. A. Rs.2,500 B. Rs.3,000 C. Rs.3,333	<b>CO2</b>

	D. Rs.2,000	
Q 6	<p>Determine contribution if Sales is Rs.1,50,000 and P/V ratio is 40%.</p> <p>A. Rs.60000 B. Rs.70,000 C. Rs.30,000 D. None of the above</p>	CO2
<b>SECTION B</b>		
<p><b>1. Each question will carry 10 marks</b></p> <p><b>2. Instruction: Write short / brief notes</b></p>		
Q 7	<p>A business needs classified cost figures for departments, product, processes, etc., in order to ascertain cost. It requires adequate cost data for fixing the selling price.</p> <p>With the help of above statement explain Cost Accounting. State any three objects of Cost Accounting.</p>	CO1
Q 8	<p>Cost volume profit analysis is an extension of the principles of marginal costing. It is based on the same principles of classifying the operating expenses into fixed and variable.</p> <p>In reference to this statement what do you mean by the Break Even Analysis and discuss its limitations.</p>	CO1
Q 9	<p>“Cost audit is the verification of cost accounts and a check on the adherence to the cost accounting plan.”</p> <p>—————</p> <p>Considering the above statement define Cost Audit?</p>	CO1
Q 10	<p>“A cost auditor is required to submit his report to the Board of Directors of the Company concerned as well as to the Central Government.”</p> <p>With the help of this statement Explain Cost Audit and Give the specimen of Cost Audit Report.</p>	CO1
Q 11	<p>“Unit costing or output costing is that technique of cost accounting in which the cost of producing a unit of output and total cost of production is ascertained.”</p> <p>Throwing light upon this statement explain the meaning of Cost Sheet. Make a format with the imaginary figures.</p>	CO3

**Section C**

1. Question carries 20 Marks.
2. Instruction: Attempt any one question. Show the working clearly.

Q 12(a) The Texomat (Pvt.) Ltd. Has been manufacturing track suits for athletes. Currently its output is around 70% of its rated capacity of 19,000 units per annum. One exporter has approved the sample and has offered to buy 5,000 units at a special price of Rs.150 per suit. At present the company has been selling the track suit @ Rs.210. The standard cost per unit is as under:

Cloth and other materials	Rs. 82.00
Labour	Rs. 25.00
Fixed Cost	Rs. 42.00
Administrative variable cost	Rs. 11.00
<b>Total cost:</b>	<b>Rs. 160.00</b>

Should the company accept the offer?

**OR**

(b) A budget which depicts different budgeted costs for different levels of activity is termed as a flexible budget. The budget of this type takes into consideration the unexpected changes in the set of conditions of the activities.

Considering the above statement solve the following numerical:

The budgeted expenses for production of 10,000 units in a factory are:

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

**Prepare a flexible budget for the production of 8,000 Units and 6,000**

**CO4**

**CO4**

	<b>Units. Assume that administrative expenses are rigid (Fixed) for all levels of production.</b>	