

2015

JAMANALAL BAJAJ INSTITUTE OF MANAGEMENT STUDIES
MFM-MMM- FIRST YEAR- SECOND SEMESTER

MAXMARKS: 60

TIME: 2 HOURS

SUBJECT: COST AND MANAGEMENT ACCOUNTING
ATTEMPT ANY 5 QUESTIONS. ALL CARRY EQUAL MARKS

Q.(1) Explain the following concepts.

- (i) Cost Centre (ii) Profit Centre (iii) Revenue Centre (iv) Investment Centre
(v) Elements of cost (vi) Fixed cost and Variable cost (vii) Prime cost (viii) Overheads
(ix) Opportunity costs (x) Sunk costs

Q.(2) The transactions in connection with materials for a company are as follows:

Days	Receipts		Issues (Units)
	Unit	Rate	
1	40	15.00	
2	20	16.50	
3	-	-	30
4	50	17.10	-
5	-	-	20
6	-	-	40

Calculate the costs of materials issued under FIFO method and LIFO method and the value of closing stock under the above methods.

Q.(3) (a) Explain the features of Process Costing.

(b) ABC Ltd. is producing the Product 'P' required to be processed in three continuous processes. They have laid down the standards to produce 75 litres of finished product as under.

	Process		
	1	2	3
Raw materials (litres)	100		
Material Cost per litre (Rs.)	2		
Waste percentage	10%	11.11%	6.25%
Direct labor hours	6	10	8
Wage Rate per hour (Rs.)	7.5	10	12.50
Overhead Rate per labour hour (Rs.)	3.5	3	8
Sale price per litre of finished product (Rs.)	-	-	9

Prepare Process Accounts.

Q.(4) (a) Define Price.

(b) Name two different methods of Pricing.

(c) From the following information. Prepare the transfer price for division A.

	Fixed Assets	Current Assets	Debtors	Fixed Costs	Variable Cost per unit	Budgeted volume	Desired ROI
Rs.	500000	300000	200000	800000	10	400000 units per year	28%