



# GL BAJAJ

Institute of Management & Research

Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

Roll No.....

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

## POST GRADUATE DIPLOMA IN MANAGEMENT (2020-22) END TERM EXAMINATION (TERM -II)

Subject Name: Costing & Control Management

Time: **02.30 hrs**

Sub. Code: PG-31

Max Marks: **60**

**Note:**

All questions are compulsory. Section A carries 10 marks: 5 questions of 2 marks each, Section B carries 30 marks having 3 questions (with internal choice question in each) of 10 marks each and Section C carries 20 marks one Case Study having 2 questions of 10 marks each.

### SECTION - A

Attempt all questions. All questions are compulsory.

**2×5 = 10 Marks**

Q. 1 (A): What are the Prime Costs in a Printing Agency? Calculate Prime Cost for a set up with 50 Workers with wage rate 200/- per day for 28 working days, material consumed 200kg @ 25 Rs. Per kg and 3000/ electricity bill for a month. (CO1)

Q. 2 (B): Why ZBB has become a popular feature in most of the firms. Comment, highlighting the features of same. (CO1)

Q. 3 (C): What is profit-volume Ratio? Calculate PV Ratio if Sales is Rs 100 p.u and Variable Cost is 60 p.u. (CO1)

Q. 4 (D): ABC costing approach is better than traditional approach of costing. Explain the statement. (CO1)

Q. 5 (E): Differentiate between fixed and flexible budget. Highlighting features of each (CO1)

### SECTION - B

**10 x 3 = 30 Marks**

All questions are compulsory (Each question has an internal choice. Attempt any one (either A or B) from the internal choice)

Q. 2: (A) On the basis of detail provided:

(CO2)

	<b>At 80% capacity</b>
<b>Variable cost:</b>	
Direct Labour	20,000
Material cost	16,000
<b>Semi-variable cost:</b>	
Power (30% fixed, 70% variable)	50,000
Repairs and maintenance (80% fixed, 20% variable)	6,000
<b>Fixed overheads:</b>	
Depreciation	15,000
Insurance	25,000
Salaries	22,000

Draw up a flexible budget at 30% and 90% plant capacity.

Or

(B) Furniture Inn manufactures computer tables. Recently a supplier has offered the tables of the same quality @ \$14 each with an assurance of continued supply. The following is the budget for 4000 units prepared for the quarter ending 30 September 2016:

(CO2)

	\$
Raw material cost	20000
Direct wages	18000
Production overheads:	
Variable	12000
Fixed	14000
Distribution costs:	
Variable	6000
Fixed	7500
Administration costs:	
Variable	5000
Fixed	12500

**Required:**

(a) Should Furniture Inn accept the offer from the supplier?

(b) What would be the decision if the supplier offered the tables at \$12 each?

Q. 3:

(A) The Following data is available from the books of Sunrise Industries.

(CO3)

Particulars	Amount in Rupees
Opening stock of Raw Material	85,000
Closing stock of Raw Material	26,000
Opening stock of Work in Progress	42,500
Closing stock of Work in Progress	32,500
Opening stock of Finished Goods	17,500
Closing stock of Finished Goods	19,000
Purchases	2,85,000
Sales	16,45,000
Consumables	8,700
Advertising	15,600
Technical Directors Salary	45,000
Salesman's Salary	15,000
Salary to Office Clerk	10,000

Productive Wages	15,000
Repairs to Plant	12,780
Carriage Outward	13,200
Carriage Inward	7,500
Depreciation to Office Computer	580
Office Rent	8,000
Gas, fuel and Water	12,950
Depreciation to Delivery Van	7985
Bad Debts	12,500
Loose Tools	6,000
Labour Welfare Expenses	24,000
Audit Fees	8,000
Printing and Stationery	14,580
Legal Fees	12,000
Motive Power	48,750

You are required to prepare a cost sheet and compute the following:

A] Raw material Consumed B] Prime Cost C] Works Cost D] Cost of Production E] Cost of Goods Sold F] Total Cost G] Profit/Loss

Or

(B) Discuss the Importance of AOI and MOS in context with Profit Margin and Market Share of the company.

ABC Ltd has provided you following data:

Sales Rs 100,000, Variable cost is Rs. 50,000, fixed overhead is Rs. 30,000. Total no of units produced is 6000 units.

You are required to calculate profit for actual output.

Also Compute Profit Volume Ratio, Breakeven (in units and Rs), Margin of Safety (in units & Rs) (CO3)

Q. 4:

(A) Differentiate between Absorption Costing and marginal Costing. Using an illustration highlight the relevance of each. (CO2)

or

(B)

Prepare Cash Budget of a Company for April, May and June 2019 in a columnar form using the following information: (CO3)

Month	Sales	Purchase	Wage	Exp.
Jan. (Actual)	80,000	45,000	20,000	5,000
Feb. (Actual)	80,000	40,000	18,000	6,000
March (Actual)	75,000	42,000	22,000	6,000
April Budget	90,000	50,000	24,000	6,000
May Budget	85,000	45,000	20,000	6,000
June Budget	80,000	35,000	18,000	5,000

You are further informed that:

(a) 10% of purchase and 20% of Sale are for cash

(b) The average collection period of the Co. is 1/2 month and credit purchase is paid off regularly after one month

- (c) Wages are paid half monthly and the rent of \$500 excluded in expense is paid monthly  
 (d) Cash and Bank Balance on April 1, was \$15,000 and the company wants to keep it on end of every month below this figure, the excess cash being put in fixed deposits.

**SECTION - C**

Read the case and answer the questions

**10×02 = 20 Marks**

Q. 5: Case Study:

**Case Study:**

ABC Ltd has standard mix to produce 1 unit of product

(CO4)

Material A of 20 units @ Rs 10 p.u

Material B of 40 units @ Rs 15 p.u

Material C of 60 units @ Rs 20 p.u

ABC Ltd wants to evaluate the performance of its employees responsible in ordering and purchasing material. To evaluate the performance you are hired as consultant and perform the following task for Actual Quantity of 10 units with actual material consumed as follows

Material A of 220 units @Rs 11 p.u

Material B of 390 units @ Rs16 p.u

Material C of 610 units @ Rs 19 p.u

**Question:**

Q5 (A): Material Cost Variance, Material Price Variance and Material Quantity Variance. On the basis of data provided write your comments for variance in each category.

Q5 (B): Revised Standard Quantity, Material Yield and Material Mix Variance. Also Prepare a tree chart of all Material Variance showing Figures arrived.

**Mapping of Questions with Course Learning Outcome**

<b>Question Number</b>	<b>COs</b>	<b>Marks Allocated</b>
Q. 1: (All Parts)	<b>CO1</b>	<b>10 marks</b>
Q. 2: (A) and (B)	<b>CO2</b>	<b>10 marks</b>
Q. 3: (A) and (B)	<b>CO3</b>	<b>10 marks</b>
Q. 4 (A) and (B)	<b>CO2 and CO3</b>	<b>10 marks</b>
Q. 5:	<b>CO4</b>	<b>20 marks</b>

**Note:** Font: Times New Roman, Font size: 12.