



K17P 0635

Reg. No. :

Name :

Second Semester M.Com. Degree (Reg./Suppl./Imp.)
Examination, March 2017
(2014 Admn. Onwards)
COM2C08 : COSTING FOR MANAGEMENT DECISIONS

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any four** questions. **Each** question carries **1** mark for Part (a), **3** marks for Part (b) and **5** marks for Part (c) :

1. a) Define Cost Accounting.
b) What are the objectives of Cost Accounting ?
c) Explain the scope of Cost Accounting.
2. a) Define Marginal Costing.
b) What is CVP analysis ?
c) Distinguish between Marginal Costing and differential costing.
3. a) What is Contribution Margin ?
b) What is P/V Ratio ?
c) From the following particulars find out :
 - i) P/V Ratio
 - ii) Fixed Cost
 - iii) Sales Volume.To earn a profit of Rs. 40,000
Sales – Rs. 1,00,000
Profit – Rs. 10,000
Variable cost – 70%

P.T.O.



4. a) Define standard costing
 b) Explain variance analysis.
 c) From the following figures, find out material variances :

Products	Std.Qty.	Std. Price	Actual Qty.	Actual Price
A	1050	2.00	1100	2.25
B	1500	3.25	1400	3.50

5. a) What is BEP ?
 b) What are the different types of Break-even points ?
 c) From the following particulars, find out BEP :

Variable cost per unit – Rs. 15

Selling price per unit – Rs. 20

Fixed expenses – Rs. 54,000.

What should be the selling price if the BEP should be brought down to 6000 units ?

6. a) Define cost of capital.
 b) What is Weighted Average Cost of Capital ?
 c) A Ltd., issues Rs. 10,00,000, 10% redeemable debentures at a discount of 5%. The cost of floatation amounts to Rs. 30,000. The debentures are redeemable after 5 years. Calculate after tax cost of debt assuming a tax rate of 50%. (4x9=36)

SECTION – B

Answer **any two** questions. **Each** question carries **12** marks :

7. a) What is value analysis ? What are the advantages of value analysis ? Explain the steps in value analysis.

OR

- b) What is Cost Reduction ? Explain the merits of cost reduction. What are the techniques of cost reduction ?



8. a) Following details relates to two products :

	Products	Price per unit
Selling Price	A	Rs. 20
	B	Rs. 15
Variable Cost	A	Rs. 16
	B	Rs. 13

Total Fixed expenses Rs. 800.

Calculate the total contribution and profit for each of the following sales mixtures and comment which sales mixture is advisable :

Sales mixtures :

- a) 100 units of product A and 200 of B
- b) 150 units of product A and 150 of B
- c) 200 units of product A and 100 of B.

OR

b) You are given the following data for the next year of a factory :

Budgeted out put – 80,000 Units

Fixed expenses – Rs. 4,00,000

Variable Cost per unit – Rs. 10

Selling price per unit – Rs. 20

Draw a break-even chart showing the BEP.

(2×12=24)