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SARDAR PATEL UNIVERSITY
M.COM. (CBSC) (SEMESTER- I) EXAMINATION
2017
MONDAY, 20TH NOVEMBER

SESSION: MORNING

COURSE TITLE: COST AND MANAGEMENT ACCOUNTING- I

TIME: 10.00 A.M. TO 1.00 P.M.

CODE NO.: PB01CC0M23

Maximum Marks: 70

Instructions:

- (1) Answers to the sections are to be written separately in answer-book.
- (2) Figures to the right indicate full marks of the questions.
- (3) Show important calculations separately wherever necessary.
- (4) Answers should be precise and to the point only.

SECTION – I

Q.1 (A) Define the terms 'cost' and 'costing'. Explain in details the function-wise classification of overhead costs with examples. (12)

(B) Write a difference between profit and loss account and cost sheet. (06)

OR

Q.1 (A) The following were extracted from the cost records of Vodafone Co. for the year 2016-17: (12)

Production : 10,000 units

Materials	Rs. 2,00,000
Labour cost	1,20,000
Factory overhead	80,000
Office overhead	40,000
Selling expenses	10,000
Rate of profit 25% of selling price.	

The manufacturer decided to produce 15,000 units for the 2017-18. It is estimated that the cost of raw materials will increase by 20% and the labour cost will increase by 10%. 50% of the overhead charges are fixed and the other 50% are variable. The selling expenses per unit will be reduced by 20%. The rate of profit will remain the same. Prepare a statement of cost showing total profit and selling price per unit for the year 2016-17 and 2017-18.

(B) Distinguished between period cost and product cost. (06)

Q.2 (A) Define the term 'marginal costing'. Discuss briefly the features of marginal costing. (09)

(B) What do you mean by absorption costing? What are the advantages and disadvantages of it? (08)

OR