

Q-1 A Sumal Ltd manufactures components for the Machine. The following budgeted information is available for three of their key components.

Particular	X Per unit Rs.	Y Per unit Rs.	Z Per unit Rs.
Selling price	400	366	350
Direct Materials	100	80	70
Direct labour	60	70	60
Units: Produced and sold	10000	15000	18000

The total number of activities for each of the three products for the period is as follows

Particular	X	Y	Z
Number of purchase requisitions	1200	1800	2000
Number of set up	240	260	300
Machines hours (Total)	100	150	180

Overhead costs have been analyzed as follows:

Particular	X
Receiving inspecting quality assurance	Rs.2800000
Production scheduling setup	Rs.2400000
Machine cost	Rs. 860000

Calculate the budgeted profit per unit for each of the three products using Activity Based Costing.

Q-1 B A company manufactures and markets three product X, Y and Z. All the three products are made from the same set of machines production is limited by machine capacity. From the data given below, indicate priorities for products X, Y and Z with a view to maximizing profit.

Particular	Product		
	X	Y	Z
Raw materials cost per unit Rs.	11.25	16.25	21.25
Direct labour cost Per unit Rs.	2.50	2.50	2.50
Other variable cost Per unit Rs.	1.50	2.25	3.50
Selling price Per unit Rs.	25.00	30.00	35.00
Standard Machine time required per unit in minutes	39	20	28

OR

Q-1 (A) Define the terms 'target cost' and target costing. What are the merits and demerits of target costing?

(B) Write note on (i) Product life cycle costing. (ii) Kaizen costing.

Q-2 (A) Write a different between financial accounting and cost accounting with the help of following points:-

(1) Meaning (2) purpose (3) Statutory Requirements (4) Reporting (5) Control (6) Stock valuation

(B) Write short note on the function wise classification of cost in brief.