

COURSE TITLE: COST AND MANAGEMENT ACCOUNTING-I

CODE NO.: PB0CCOM23 PB01CCOM23

Notes:

1. Right side of figures indicates full marks of Question.
2. Answer to the Two Sections should be written Separately in the same Answer Book

(Maximum Marks:70)

SECTION I															
Q-1	<p>[A] HMT Co. manufactured and sold 1,000 watches in the previous year. Following are the particulars obtained from the records of the company:</p> <table> <tr> <td></td><td>Rs.</td></tr> <tr> <td>Cost of materials</td><td>80,000</td></tr> <tr> <td>Wages paid</td><td>1,20,000</td></tr> <tr> <td>Manufacturing expenses</td><td>50,000</td></tr> <tr> <td>Office Expenses</td><td>90,000</td></tr> <tr> <td>Selling expenses</td><td>30,000</td></tr> <tr> <td>Sales</td><td>4,00,000</td></tr> </table> <p>The company plans to manufacture 1,200 additional watches in next year. You are required to submit a statement showing the price at which watches would be sold so as to show a profit of 10% on the selling price. The following additional information is supplied to you:</p> <ol style="list-style-type: none"> <li>(a) The price of materials will rise by 20 percent on the previous year's level.</li> <li>(b) Wage rates will rise by 5 percent.</li> <li>(c) Manufacturing expenses will rise in proportion to the combined cost of materials and wages.</li> <li>(d) Selling expenses per unit will remain unchanged.</li> <li>(e) Other expenses will remain unaffected by the rise in output.</li> </ol>		Rs.	Cost of materials	80,000	Wages paid	1,20,000	Manufacturing expenses	50,000	Office Expenses	90,000	Selling expenses	30,000	Sales	4,00,000
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[B]	What are the advantages of Cost Accounting? (05)														
OR															
Q-1															
[A]	Give Meaning and at least one examples for the following terms: (12) Relevant Cost, Sunk Cost, Differential Cost, Marginal Cost, Out of Pocket Cost, Imputed Cost and Future Costs.														
[B]	Distinguish between Cost Accounting and Financial Accounting (05)														

(P.T.O.)