



Biyani Girls College
I Internal Examination 2019-20
B.COM. (II Year)
Subject-ADVANCE COST ACCOUNTING

Time: 1.30 Hrs.

Set:A

MM: 40

[I] Multiple Choice Questions

(10*1=10)

- 1) If worker taken 6 hours to complete 2nd unit than what will be rate of learning if worker takes 10 hours to produce 1st unit
a) 90% b) 80% c) 70% d) 100%
- 2) Calculate sales in rupees for desired profit if fixed cost is Rs 10,000, selling price is Rs 20 per unit, Variable cost is Rs 15 per unit and desired profit is Rs 1 per unit.
a) Rs 20,000 b) Rs 50,000 c) Rs 70,000 d) Rs 10,000
- 3) If learning rate of 3 worker A,B,C is 67%, 93%, 81% respectively than who will learn faster
a) Worker A b) Worker B c) Worker C d) All workers
- 4) What will be sales in units if fixed cost is Rs 50,000 Contribution per unit is Rs 60 and desired profit per unit is Rs 10.
a) 6,000 units b) 10,000 units c) 1,000 units d) 16,000 units
- 5) If a new worker required 100 hours to produce 1st unit how many hours he will take to produce 2nd unit if Learning Rate is 90%
a) 80 hours b) 90 hours c) 180 hours d) 200 hours
- 6) What will be the sales amount required to earn a profit of Rs 4,00,000, if fixed cost is Rs 80,000 , direct material is Rs 5 per unit, direct labour Rs 2 per unit, direct overhead 100% of direct labour and selling price is Rs 12 per unit.
a) Rs 19,20,000 b) Rs 3,20,000 c) Rs 12,90,000 d) None of the above
- 7) Suppose Total cost of production is Rs. 8,00,000 and total unit produced is 10,000 out of which 2,000 was waste due to some reason. Then what will be cost per unit in this situation
a) Rs.80 b) Rs.100 c) Rs. 66.67 d) None of the above
- 8) Given fixed costs is Rs 1,00,000 selling price per unit is Rs 10 and variable cost per unit is Rs 6. If fixed cost increase by 10% , B.E.P will
a) Decrease by 2,500 units b) No change
c) Increase by 2,500 units d) none of the above.
- 9) Given fixed costs is Rs 1,00,000 selling price per unit is Rs 10 and variable cost per unit is Rs 6. If variable cost increase by 10% , B.E.P will
a) Decrease by 4,214 units b) Increase by 4,214 units
c) Decrease by 4,412 units d) Increase by 4,412 units
- 10) If a new worker required 100 hours to produce 1st unit and he is having a order of 8 units than how many hour he will take to produce total 8 units if Learning Rate is 90%

a) 800 hours

b) 640 hours

c) 648 hours

d) 583.2 hours

[II] Long type Questions:

(10*3=30)

1) Following DATA is given for X ltd. For the year 2018

| | |
|--------------------------------------|----------------|
| Maximum Capacity | 2,00,000 units |
| Normal Capacity | 1,80,000 units |
| Variable Manufacturing Cost per unit | Rs.11 |
| Fixed Factory Overheads | Rs.5,40,000 |
| Variable Selling cost per unit | Rs.3 |
| Fixed Selling Cost | Rs.2,52,000 |
| Selling price per unit | Rs.20 |

Calculate below: -

1. BEP expressed in Rs. as well as in units. Also expressed % capacity level of BEP to Maximum Capacity.
 2. How many units required to sale to earn profit of Rs.5,000 per month.
 3. How many units required to sale Net income of 10% of sales if tax rate is 50%.
 4. What should be selling price per unit if BEP is to be brought down to 1,00,000 units.
 5. Calculate how much % of sales covered by Margin of safety if Total sales is Rs.40,00,000.
- 2) Cost Structure of 1st Unit is as under
- | | |
|-------------------------------------|----------|
| Direct Material | Rs.500 |
| Direct labour (100 hours * Rs.4) | Rs.400 |
| Variable Overheads (100 hours*Rs.1) | Rs.100 |
| TOTAL Cost | Rs.1,000 |

Suppose company receive an order of 4 units at Rs.880 per unit. Whether company should accept the same if learning rate is 90%

What will be your answer if order was for 8 units at same offer price? Also calculate profit or loss of both the order.

- 3) Define Research and development cost. And also distinguish both and also explain Accounting treatment of both.