

Subject : Advanced Cost Accounting - II

Day : Saturday
Date : 08/10/2016

S.D.E.

Time : 3.00 P.M. TO 6.00 P.M.
Max Marks : 80 Total Pages : 2

N.B.:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of non programmable **CALCULATOR** is allowed.
- 4) Answers to both the sections should be written in the **SAME** answer book.

SECTION – I

- Q.1** Attempt **ANY TWO** of the following: **[16]**
- a) Distinguish between Fixed Budget and Flexible Budget.
 - b) What are the disadvantages of Inter-firm comparison?
 - c) Explain the advantages of Uniform Costing.
 - d) What is ‘Variance’? Explain the Material Variance.

- Q.2** In Excellent Chemicals, Mumbai for the output of ‘Tosha’ chemical of 10 kgs **[16]**
the actual mix differs from the standard mix with a change in output.
The cost details for a period of March, 2016 are given as follows:

Materials	Standard Mix			Actual Mix		
	Quantity (kgs)	Price (Rs.)	Cost (Rs.)	Quantity (kgs)	Price (Rs.)	Cost (Rs.)
‘BK’	60	20	1,200	75	22	1,650
‘PK’	40	10	400	30	08	240
Total	100		1,600	105		1,890

Calculate the following Material Variances.

- a) Material Cost Variance
- b) Material Price Variance
- c) Material Usage Variance
- d) Material Mix Variance

Also verify your results.

OR

Thomas Cook Ltd., Talegaon provides the following cost data for a 60% working capacity from which you are required to prepare a Flexible Budget for the production at 80% and 100% capacity level.

Particulars	Rs.
Current Production	Units 600
Selling Price (Fixed) per unit	300
Process Material Cost per unit	100
Productive Wages per unit	40
Prime Cost Expenses	10
Total Works Overheads (40% Fixed)	40,000
Total Office, Selling and Distribution Overheads Rs. 30,000 (50% Variable)	

P.T.O.