

APRIL/MAY 2019

**MCM33 — ADVANCED COST ACCOUNTING**

Time : Three hours

Maximum : 75 marks

**SECTION A — (5 × 6 = 30 marks)**

Answer ALL questions.

1. (a) What is cost sheet? State the uses of it.

Or

- (b) Prepare cost sheet from the following given information :

Rs.

Materials consumed 6,000

Wages paid 9,000

Works on cost 50% on wages.

Office on cost 20% on works cost.

Selling on cost 10% on works cost.

Profit 20% on cost.



(b) From the following particulars calculate :

- (i) Labour cost variance
- (ii) Labour rate variance, and
- (iii) Labour efficiency Variance

Standard hours : 40 @ Rs. 3 per hour

Actual hours : 50 @ Rs. 4 per hour

4. (a) Describe the major steps involved in the cost control scheme.

Or

- (b) What is cost reduction? Bring out the merits of cost reduction in an organization.

5. (a) Explain the concept of Activity Based Costing. Distinguish between Traditional Costing and Activity Based Costing.

Or

- (b) Explain the various steps involved in implementing Activity Based costing.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE questions.

6. Prepare a cost sheet from the following details.

Raw materials consumed Rs. 80,000

Direct wages Rs. 48,000

Machine hours worked 8000

Machine hour rate Rs. 4

Office overheads – 10% of works cost

Selling overheads – Rs. 1.50 per unit

Units produced – 4000 units

Units sold – 3600 units @ Rs. 50 each.

7. Product X is obtained after it passes through three distinct processes. You are required to prepare process accounts from the following information.

	Process			
	Total	I	II	III
Material	15,084	5,200	3,920	5,924
Direct wages	18,000	4,000	6,000	8,000
Production overheads	18,000	–	–	–