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Register Number:

Name of the Candidate:

M.Com. DEGREE EXAMINATION, May 2015

(ACCOUNTING AND FINANCE)

(SECOND YEAR)

650. COST CONTROL TECHNIQUES

(Old Regulations)

Time: Three hours Maximum: 100 marks

SECTION -A **(5 × 8 = 40)**

Answer any FIVE questions

1. What do you mean by value and value analysis?
2. Define budgetary control and discuss its objectives.
3. The standard material required to manufacture one unit of product X is 100kg. and the standard price per kg. of material is ₹ 2.50. The cost account records, however, reveal that 11,500kg of materials costing ₹ 27,600 were used for manufacturing 1000 units of product X. Calculate material variances.
4. Discuss the two methods of calculating sales variances.
5. What are the assumptions underlying cost volume profit analysis?
6. What are the inventory valuation techniques available in the case of transfer pricing?
7. What are the steps involved in the budgetary control?
8. From the following particulars calculate (i) contribution (ii) P/V ratio (iii) Breakeven point in units and in rupees (iv) What will be the selling price per unit if the breakeven point is brought down to 25,000 units? Fixed Expenses- ₹1,50,000; variable cost per unit ₹10; Selling price per unit ₹15.

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SECTION -B **(3 × 20 = 60)**

Answer any THREE questions

9. Distinguish between cost control and cost reduction.
10. Discuss the uses and limitations of Budgetary control.
11. Your are required to calculate (i) Labour cost variance and (ii) Labour rate variance for the following data:

Standard rate of wages per hour	₹10
Standard hours	300
Actual rate of wages per hour	₹12
Actual hours	200

12. Assuming that the cost structure and selling prices remain the same in periods I and II, find out: (i) Profit volume Ratio; (ii) Fixed cost; (iii) Breakeven Point; (iv) Profit when sales are of ₹1,00,000; (v) Sales required to earn a profit of ₹ 20,000 and (vi) Margin of safety at a profit of ₹15,000.

Period	Sales (₹)	Profit (₹)
I	1,20,000	9,000
II	1,40,000	13,000

13. Explain the problems faced in transfer pricing.
