Program/Sem:	**M.Com Part I - Sem-I**	**Course:**	**Advanced Cost and Management Accounting**
Program Code:	**2120361**	**Course Code:**	**59311**

Duration: 2 Hours 0 3 NOV 2025 **Max. Marks:** 50

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.

Q. 1 **Attempt the following (Any One).** **[14]**

A) A standard gang for a 40-hour week is:

Category	No. of Workers	Std Rate (₹/hr)
Men	30	85
Women	18	65
Boys	12	42

Standard output for the week = **6,200 units**.
Actual for the week:

Category	No. of Workers	Actual Rate (₹/hr)
Men	28	88
Women	20	62
Boys	10	45

Actual output = **5,900 units**.
(Assume the gang worked **40 hours**.)
Calculate:
(i) Labour Cost Variance (LCV)
(ii) Labour Rate Variance (LRV)
(iii) Labour Efficiency Variance (LEV)
(iv) Labour Mix Variance (LMV)
(v) Labour Yield Variance (LYV)

OR

B) RHY Ltd. manufactures a chemical product 'RHY-A'. Production is carried out in batches. Each batch requires a standard input of materials and yields a standard output after normal process loss. Details for the month of April are given below.

Batch & Output Details (April)

Number of batches prepared	40
Standard input per batch	120 kg
Standard output per batch	108 kg

Standard and Actual Mix, Prices & Quantities (April)

Material	STANDARD		ACTUAL		
	Std Mix %	Std Price (₹/kg)	Actual Mix %	Actual Price (₹/kg)	Actual Quantity (kg)
A	50%	₹24	48%	₹25	2,350
B	30%	₹12	32%	₹11.50	1,560
C	20%	₹6	20%	₹6.20	1,000

*Based on a standard input of 120 kg per batch; quantities are implied by mix %.

Actual output achieved in April: 36,500 kg.

Required

(a) Material Cost Variance (MCV)

(b) Material Price Variance (MPV)
(c) Material Mix Variance (MMV)
(d) Material Yield Variance (MYV)
(e) Material Usage Variance (MUV)

Q. 2 **Attempt the following (Any One).** **[12]**

A) At **90% capacity**, output is **18,000 units⇒100% = 20,000 units.**
Selling price = **₹150 per unit** (constant).

Particulars	Cost per Unitat 90%	Variability
Direct Materials	55	Variable
Direct Labour	40	Variable
Direct Expenses	5	Variable
Variable Overheads	5	Variable
Production Overheads	12	50% variable
Administrative Overheads	8	25% variable
Selling & Distribution OH	10	20% variable

Prepare Flexible Budget for – 60%, 75% and 100% level.

OR

B) Elite Appliances forecasts sales for six months as below:

Month	Apr	May	Jun	Jul	Aug	Sep
Estimated Sales (Units)	12,000	13,500	9,500	8,200	10,800	12,400

Policy: Closing Finished Goods = 40% of next month's sales; Opening Finished Goods on 1st April = 5,000 units.

Each unit requires Material P = 2.5 kg and Material Q = 0.8 kg. Closing RM stock = 30% of next month's consumption. Opening stocks (1st April): P = 7,800 kg; Q = 2,340 kg.

Prices: P @ ₹5/kg for Apr–Jun and ₹6/kg for Jul–Sep; Q @ ₹4/kg throughout.

There is no WIP at month ends. Required: Prepare (i) Production Budget, (ii) Material Consumption Budget, and (iii) Raw Material Purchase Budget (qty& value) for April–September.

Q. 3 **Attempt the following (Any One).** **[12]**

A) A transport company owns one lorry and one city bus. Both vehicles operate 25 days in a month.

Standing Costs

Particulars	Lorry (₹)	Bus (₹)
Driver & Cleaner Salaries (per month)	20,000	15,000
Insurance (per annum)	1,20,000	84,000
Office & Garage Rent (per month)	12,000	10,000
Depreciation (cost & life)	₹12,00,000; 10 years	₹9,60,000; 8 years
Road Tax & Permits (per annum)	60,000	48,000

Running Information

Parameter	Lorry	Bus
Distance per day (two-way)	200 km	100 km
Load / Seating	5 tonnes per trip	40 seats
Average Occupancy	80%	75%
Fuel	1 litre per 5 km	1 litre per 4 km
Fuel Price	₹100 per litre	₹100 per litre
Lubricants & Tyres	₹2 per km	₹2 per km

Required:
(a) Prepare monthly Operating Cost Statements for both Lorry and Bus.
(b) Compute cost per tonne-km for the lorry and cost per passenger-km for the bus

OR

B) Starline Travels operates one coach between **Delhi and Jaipur** (270 km one way).

- The coach makes **10 round trips/month** to Jaipur, and **10 round trips/month** to Agra (180 km one way).
- On the remaining **5 days**, it operates in local city service: **50 km per trip, 6 trips per day**.
  Total = 25 operating days.

Cost Data

Particulars	Amount

Cost of Bus	₹18,00,000
Depreciation	10% p.a., nil scrap
Driver Salary	₹30,000 per month
Conductor Salary	₹20,000 per month
Insurance	₹24,000 per annum
Permit Fees & Token Tax	₹12,000 per quarter
Repairs & Maintenance	₹15,000 per month
Fuel Consumption	1 litre per 5 km
Fuel Price	₹100 per litre
Lubricants	₹2 per km
Seating Capacity	50 seats

Operating Conditions:

- Occupancy: 90% on Jaipur trips, 80% on Agra trips, 70% on city trips.
- Passenger tax = 20% of fare collected.
- Company desires **profit = 25% of total revenue**.

Required:
Prepare a monthly **Operating Cost Sheet** and calculate the **fare per passenger-km**

Q. 4 **Attempt the following (Any One).** **[12]**

A)

Selling Price per unit	₹40
Variable Cost per unit	₹28
Fixed Costs	₹2,40,000
Required (a) P/V Ratio (b) Break-even Point (Units & ₹) (c) Sales for Profit ₹1,20,000 (d) Margin of Safety if Actual Sales = ₹10,00,000	

OR

B) The following figures relate to a company for **Year 1** and **Year 2**:

Particulars	Year 1	Year 2
Sales (₹)	15,00,000	18,00,000
Variable Cost (₹)	9,00,000	10,80,000
Fixed Cost (₹)	3,00,000	3,60,000

Required:
(a) Contribution and P/V Ratio for both years
(b) Break-even Sales for both years
(c) Profit or Loss in each year
(d) Margin of Safety (₹ and %) for both years
(e) Comment briefly on the comparative performance

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