



INSTITUTE OF AERONAUTICAL ENGINEERING

(Autonomous)

Dundigal, Hyderabad - 500 043

MASTER OF BUSINESS ADMINISTRATION TUTORIAL QUESTION BANK

Course Name	:	STRATEGIC MANAGEMENT ACCOUNTING
Course Code	:	CMB405
Class	:	III Semester
Branch	:	MBA
Academic Year	:	2018– 2019
Course Coordinator	:	Dr.J.S.VGopala Sarma, Professor, MBA
Course Faculty	:	Dr.J.S.VGopala Sarma, Professor, MBA

COURSE OBJECTIVES (COs):

The course should enable the students to:

I	Develop an insight of principles of cost accounting and management accounting for effective management control, profit planning and decision making.
II	Understand allocation and apportionment of overheads for cost analysis and cost control.
III	Demonstrate, interpret and analyze the unit costing, job costing and marginal costing in terms of cost control and profit planning.
IV	Design and use of break even analysis techniques for solving various business problems.
V	Appreciate and Use budgetary control techniques in fixing the goals for the organization as whole and concerned efforts are made for its achievements.
VI	Analyze different types of standard costing techniques and variance analysis techniques for eliminate wastage and increase the efficiency in performances.

COURSE LEARNING OUTCOMES (CLOs):

Students, who complete the course, will have demonstrated the ability to do the following:

S. No	Description
CCMB405.01	Understand the objectives, importance and limitations of cost accounting, financial accounting and management accounting.
CCMB405.02	Distinguish between financial accounting, cost accounting and management accounting.
CCMB405.03	Discuss the role of accounting information in planning and control.
CCMB405.04	Examine the classification, allocation and apportionment of overheads for the purpose of knowing machine hour rate and cost of production.
CCMB405.05	Describe the significance and limitations of unit costing, job costing, process costing, and cost sheet.
CCMB405.06	Enumerate the applications of marginal costing in terms of specific fixed assets, cost control, suitable product mix, profit planning and closing down or suspending activities.
CCMB405.07	Identify the assumptions, advantages and limitations of break even analysis and inter firm comparisons.
CCMB405.08	Evaluate the significance and limitations of budgetary control system
CCMB405.09	Discuss the classification of various types of budgets like flexible budget, cash budget, production budget, sales budget, significance of zero based budgeting..

CCMB405.10	State the significance, objectives and limitations of standard costing and budgetary control.
CCMB405.11	Demonstrate the significance and limitations of standard costing and marginal costing.
CCMB405.12	Recognize the importance, limitations, reasons and types of variance analysis for eliminate wastage and increase the efficiency of performance.

TUTORIAL QUESTION BANK

S. No	QUESTION	Blooms Taxonomy Level	Course learning Outcome(CLOs)
UNIT-I			
MANAGEMENT ACCOUNTING Vs COST ACCOUNTING			
PART-A (SHORT ANSWER QUESTIONS)			
1.	Define financial accounting. Describe the meaning and limitations of financial	Remember	CCMB405.1
2.	Define cost accounting. List out the advantages and limitations of cost accounting.	Understand	CCMB405.1
3.	Examine the meaning, importance and limitations of management accounting.	Understand	CCMB405.1
4.	Define management accounting. Discuss the objectives of management accounting.	Understand	CCMB405.1
5.	Explain the meaning and nature of management accounting.	Understand	CCMB405.1
6.	Examine the scope of management accounting.	Remember	CCMB405.1
7.	Discuss the meaning and functions of management accounting.	Remember	CCMB405.1
8.	Examine the importance of management accounting.	Understand	CCMB405.1
9.	Discuss the limitations of management accounting.	Understand	CCMB405.1
10.	Examine different types of costing used in industries.	Understand	CCMB405.1
11.	Distinguish between cost accounting and management accounting.	Understand	CCMB405.2
12.	Write the differences between cost accounting and financial accounting.	Remember	CCMB405.2
13.	Distinguish between management accounting and financial accounting.	Remember	CCMB405.2
14.	Explain the role of accounting information in planning and control.	Understand	CCMB405.2
15.	Discuss the classification of costs for managerial use.	Understand	CCMB405.2
16.	Examine different types of cost concepts.	Understand	CCMB405.2
17.	State the meaning of management process and accounting.	Understand	CCMB405.2
18.	Demonstrate the meaning of cost analysis and cost control.	Understand	CCMB405.2
19.	State the meaning of direct expenditure and indirect expenditure.	Remember	CCMB405.2
20.	Examine the allocation and apportionment of overheads.	Remember	CCMB405.2
21.	Discuss the significance of activity based costing.	Understand	
22.	State the advantages of machine hour rate.	Understand	CCMB405.2
PART-B (LONG ANSWER QUESTIONS)			
1.	Define financial accounting. Explain the meaning, functions, importance and limitations of financial accounting.	Understand	CCMB405.1
2.	Define management accounting. Describe the nature and scope of management	Remember	CCMB405.1
3.	Discuss the meaning, objectives and functions of management accounting.	Understand	CCMB405.1
4.	Examine the meaning, importance and limitations of management accounting.	Understand	CCMB405.1
5.	Define cost accounting. Write the meaning, importance and limitations of cost	Understand	CCMB405.1
6.	Briefly explain the objectives of cost accounting.	Remember	CCMB405.1
7.	Discuss different types of costing used in industries.	Remember	CCMB405.2

8.	Distinguish between cost accounting and management accounting.	Remember	CCMB405.2																																																					
9.	Distinguish between financial accounting and management accounting.	Understand	CCMB405.2																																																					
10.	How that cost accounting is differing from financial accounting?	Understand	CCMB405.2																																																					
11.	Critically examine the cost concepts and classification of costs for managerial use.	Understand	CCMB405.2																																																					
12.	Examine the advantages and disadvantages of machine hour rate.	Understand	CCMB405.2																																																					
PART-C (PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)																																																								
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3.	Define financial accounting. Discuss the functions and objectives of management accounting.	Understand	CCMB405.1																																																					
4.	Elaborate the functions and limitations of financial accounting.	Understand	CCMB405.1																																																					
5.	Examine the differences between cost accounting, management accounting and financial accounting.	Understand	CCMB405.2																																																					
6.	<p>The cotton company is divided into 3 production departments A, B, C and 1 service department X. The actual cost for a period is as follows.</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Particulars</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>1. Rent</td> <td>1000</td> </tr> <tr> <td>2. Repairs to plant</td> <td>600</td> </tr> <tr> <td>3. Depreciation to plant</td> <td>450</td> </tr> <tr> <td>4. Employees insurance</td> <td>150</td> </tr> <tr> <td>5. Supervision</td> <td>1500</td> </tr> <tr> <td>6. Fire insurance in respect of stock</td> <td>500</td> </tr> <tr> <td>7. Power</td> <td>900</td> </tr> <tr> <td>8. Lighting charges</td> <td>120</td> </tr> </tbody> </table> <p>The following information is available in respect of 4 departments.</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Particulars</th> <th>A</th> <th>B</th> <th>C</th> <th>X</th> </tr> </thead> <tbody> <tr> <td>Area (in sq.metrts)</td> <td>1500</td> <td>1100</td> <td>900</td> <td>500</td> </tr> <tr> <td>No. of employees</td> <td>20</td> <td>15</td> <td>10</td> <td>5</td> </tr> <tr> <td>Total wages</td> <td>6000</td> <td>4000</td> <td>3000</td> <td>2,000</td> </tr> <tr> <td>Value of plant</td> <td>24,000</td> <td>18,000</td> <td>12,000</td> <td>6,000</td> </tr> <tr> <td>Value of stock</td> <td>15000</td> <td>9000</td> <td>6000</td> <td>---</td> </tr> <tr> <td>H.P of plant</td> <td>24000</td> <td>18000</td> <td>12000</td> <td>6000</td> </tr> </tbody> </table> <p>Apportion the costs to the various departments on the most equitable basis</p>	Particulars	Amount (Rs.)	1. Rent	1000	2. Repairs to plant	600	3. Depreciation to plant	450	4. Employees insurance	150	5. Supervision	1500	6. Fire insurance in respect of stock	500	7. Power	900	8. Lighting charges	120	Particulars	A	B	C	X	Area (in sq.metrts)	1500	1100	900	500	No. of employees	20	15	10	5	Total wages	6000	4000	3000	2,000	Value of plant	24,000	18,000	12,000	6,000	Value of stock	15000	9000	6000	---	H.P of plant	24000	18000	12000	6000	Understand	CCMB405.2
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9.	Particulars		Remember	CCMB405.2
	Cost of machine	Rs.11,000		
	Estimated scrap of machine	Rs.680		
	Effective working life	10,000 hours		
	Repairs over whole life of machine	Rs.1,500		
	Rental charges of shop for four weekly period	Rs.1,710		
	Hours worked in four-weekly period	120 hours		
	Number of machines in shop each of which bears equal charges	30 machines		
Power used by each machine 6 units per hour costing	0.10 paise per			
From the above information calculate a machine hour rate of charging overheads in respect of machine no. 750				

10.	In a factory there are three production departments X, Y, Z, and one service department S. The following figures are available for one month of 25 working days of 8 hours each day. All departments work all these days with full attendance.			Understand	CCMB405.2																																																		
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UNIT-II

COSTING FOR SPECIFIC INDUSTRIES

PART-A(SHORT ANSWER QUESTIONS)

1.	Explain the meaning and features of the Job costing.	Understand	CCMB405.3
2.	What is the meaning of job costing? Discuss the advantages of Job costing.	Remember	CCMB405.3

3.	Define job costing. Describe the disadvantages of job costing.	Understand	CCMB405.3
4.	What do you know about unit costing? State the features of unit costing.	Understand	CCMB405.3
5.	What do you know about cost sheet? State the proforma of cost sheet.	Understand	CCMB405.3
6.	Define process costing. Write the features of process costing.	Remember	CCMB405.3
7.	List out the advantages of process costing.	Remember	CCMB405.3
8.	List out the disadvantages of process costing.	Remember	CCMB405.3
9.	List out the fundamental principles of process costing.	Understand	CCMB405.3
10.	Explain the meaning of process costing. List out the elements of production cost in process costing.	Understand	CCMB405.3
11.	Distinguish between job costing and process costing.	Understand	CCMB405.3
12.	Write a short note on normal process loss.	Understand	CCMB405.3
13.	Write a short note on abnormal process loss.	Remember	CCMB405.3
14.	Write a short note on inter-process profits.	Remember	CCMB405.3
15.	Examine the evaluation of equivalent production.	Remember	CCMB405.4
16.	Write a short note on costing for by-products.	Understand	CCMB405.4
17.	Define By- product. Explain the features of By-product.	Understand	CCMB405.4
18.	Describe the accounting treatment of By-products.	Remember	CCMB405.4
19.	Write the differences between By-products and joint products.	Understand	CCMB405.4
20.	Write the meaning and features of marginal costing.	Understand	CCMB405.4
21.	Describe the advantages of marginal costing.	Remember	CCMB405.4
22.	Discuss the limitations of marginal costing.	Understand	CCMB405.4
23.	Write differences between job costing and process costing.	Understand	CCMB405.4
24.	Critically examine the application of marginal costing incase of limiting factor.	Understand	CCMB405.4
25.	Critically examine the application of marginal costing incase of fixation of selling price.	Understand	CCMB405.4
26.	Critically examine the application of marginal costing incase of specific fixed costs.	Understand	CCMB405.4
27.	Examine the application of marginal costing incase of dropping a product line.	Understand	CCMB405.4
28.	Examine the application of marginal costing incase of closing down a plant.	Understand	CCMB405.4
29.	State the application of marginal costing incase of profit planning.	Remember	CCMB405.4
30.	State the application of marginal costing incase of cost control.	Remember	CCMB405.4
PART-B (LONG ANSWER QUESTIONS)			
1	Define job costing. Explain the meaning, definitions, advantages and disadvantages of job costing.	Understand	CCMB405.3
2	Define process costing. Discuss the meaning, advantages and limitations of process costing.	Remember	CCMB405.3
3	Examine the meaning of By-product. Distinguish between By-products and joint	Understand	CCMB405.3
4.	Define marginal costing. Examine the features and advantages of marginal costing.	Understand	CCMB405.3
5.	Define marginal costing. Examine the limitations of marginal; costing.	Understand	CCMB405.3
6.	Define cost sheet. Discuss the salient features of cost sheet..	Remember	CCMB405.3
7.	Discuss the application of marginal costing in terms of cost control, profit planning and closing down a plant.	Remember	CCMB405.3
8.	Describe the application of marginal costing in terms of dropping a product line, charging general and specific fixed costs and fixation of selling price.	Remember	CCMB405.3
9.	Define marginal costing. Examine the assumptions of marginal costing.	Understand	CCMB405.3
10.	Write the meaning of cost sheet. Explain the features and proforma of cost sheet.	Understand	CCMB405.3

PART-C (PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)

1.	<p>calculate prime cost from the following information: Opening stock of raw material TRs.25,000 Purchases Rs. 1,05,000 Carriage inwards Rs.10,000 Closing stock of raw material Rs.15,000 Direct wages Rs.10,000 Direct expenses Rs.25,000 Purchase returns Rs.5,000 Salaries Rs.10,000 Factory expenses Rs.5,000</p>	Understand	CCMB405.4																																
2.	<p>Prepare process accounts and calculate total cost of production from the following data:</p> <table border="1" data-bbox="191 604 1101 890"> <thead> <tr> <th>Particulars</th> <th>Process X (Rs.)</th> <th>Process Y</th> <th>Process Z (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Materials</td> <td>2,250</td> <td>750</td> <td>300</td> </tr> <tr> <td>Labour</td> <td>1,200</td> <td>3,000</td> <td>900</td> </tr> <tr> <td>Direct expenses:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Fuel</td> <td>300</td> <td>200</td> <td>400</td> </tr> <tr> <td>Carriage</td> <td>200</td> <td>300</td> <td>100</td> </tr> <tr> <td>Works overheads</td> <td>1,890</td> <td>2,580</td> <td>1,875</td> </tr> <tr> <td colspan="4">The indirect expenses Rs.1,275 should be apportioned on the basis of wages.</td> </tr> </tbody> </table>	Particulars	Process X (Rs.)	Process Y	Process Z (Rs.)	Materials	2,250	750	300	Labour	1,200	3,000	900	Direct expenses:				Fuel	300	200	400	Carriage	200	300	100	Works overheads	1,890	2,580	1,875	The indirect expenses Rs.1,275 should be apportioned on the basis of wages.				Understand	CCMB405.4
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The indirect expenses Rs.1,275 should be apportioned on the basis of wages.																																			
3.	<p>Show cost sheet for the year 2007 from the following information: Direct materials Rs. 1,00,000 Direct wages Rs.30,000 Wages of foreman Rs.2,500 Electric power Rs.500 Factory lighting Rs.1,500 Office lighting Rs.500 Carriage on sales Rs.1,000 Oil and water Rs.500 Factory rent Rs.5,000 Office rent Rs.2,500 Repairs on factory plant Rs.3,500 Repairs on office premises Rs.500 Transfer to reserves Rs.1,000 Discount on shares written off Rs.500 Dividend Rs.2,000 Depreciation on factory plant Rs.500 Depreciation on office furniture Rs.1,250 Consumable stores Rs.2,500 Manager's salary Rs.5,000 Directors fees Rs.1,250 Office stationery Rs.500 Telephone charges Rs.125 Postage and telegrams Rs.250 Salesmen's salaries Rs.1,250 Travelling expenses Rs.1500 Advertising Rs.1,250 Warehouse charges Rs.500 Sales Rs.1,89,500</p>	Remember	CCMB405.4																																

4.	From the following data prepare cost sheet for the year 2009: Stock of raw materials on 1-1-2009 Rs.25,000 Stock of raw materials on 31-12-2009 Rs.4,900 Purchase of materials Rs.52,500 Direct wages Rs.95,000 Factory expenses Rs.17,500 Establishment expenses Rs.10,000 Finished stock on 1-1-2009 Rs. Nil Finished stock on 31-12-2009 Rs.35,000 Sales Rs.1.89,000	Understand	CCMB405.4																				
5.	A product passes through three processes A,B and C. The normal wastage of each process is as follows: Process A-3 percent, process B-5 percent and process C- 8 percent. Wastage of process A was sold at 25 paise per unit, that of process B at 50 paise and process C at Rs.1 per unit. 10,000 units were issued to process A on 1-4-2004 at a cost of Rs.1 per unit. The other costs were as follows:	Understand	CCMB405.4																				
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Process A (Rs.)</th> <th>Process B (Rs.)</th> <th>Process C (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Materials</td> <td>1,000</td> <td>1,500</td> <td>500</td> </tr> <tr> <td>Labour</td> <td>5,000</td> <td>8,000</td> <td>6,500</td> </tr> <tr> <td>Direct expenses</td> <td>1,050</td> <td>1,188</td> <td>2,009</td> </tr> <tr> <td>Actual output</td> <td>9,500 units</td> <td>9,100 units</td> <td>8,100 units</td> </tr> </tbody> </table>	Particulars	Process A (Rs.)	Process B (Rs.)	Process C (Rs.)	Materials	1,000	1,500	500	Labour	5,000	8,000	6,500	Direct expenses	1,050	1,188	2,009	Actual output	9,500 units	9,100 units	8,100 units		
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Actual output	9,500 units	9,100 units	8,100 units																				
	Prepare process accounts, assuming that there was no opening stock or closing stock.																						

UNIT-III

MAKE OR BUY DECISIONS

PART-A(SHORT ANSWER QUESTIONS)

1.	Examine the application of marginal costing incase of selection of suitable product mix.	Understand	CCMB405.5
2.	Examine the application of marginal costing incase of key or limiting factor.	Understand	CCMB405.5
3.	Examine the application of marginal costing incase of desired level of profits.	Understand	CCMB405.5
4.	State the application of marginal costing incase of diversification of products..	Remember	CCMB405.5
5.	State the application of marginal costing incase of closing down or suspending activities..	Remember	CCMB405.5
6.	Critically examine the application of marginal costing incase of level of activity planning.	Understand	CCMB405.5
7.	State the application of marginal costing incase of any two business problems.	Remember	CCMB405.5
1.	Describe the application of break-even point for various business problems.	Understand	CCMB405.6
2.	Explain the need for inter-firm comparison.	Understand	CCMB405.6
3.	State the different types of comparisons.	Remember	CCMB405.6
4.	Write the advantages of inter-firm comparison.	Understand	CCMB405.6
5.	Define CVP analysis. Write the assumptions of beak even analysis..	Understand	CCMB405.6
6.	Write the advantages of CVP analysis / break even analysis.	Remember	CCMB405.6
7.	Write the limitations of break even analysis..	Remember	CCMB405.6
8.	Write the requirements of inter-firm comparisons.	Remember	CCMB405.6
9.	Discuss any three types of preference shares.	Understand	CCMB405.6
10.	Write s short note on Inter-firm comparison.	Understand	CCMB405.6
11.	Write a short note on Break even analysis.	Understand	CCMB405.6

12.	Write the usefulness of break even analysis to the management accountant..	Understand	CCMB405.6									
13.	Examine the selection of suitable product mix.	Understand	CCMB405.7									
14.	List out the factors which are considered before taking a decision about dropping a product mix.	Remember	CCMB405.7									
PART-B(LONG ANSWER QUESTIONS)												
1.	Define marginal costing. State the meaning, advantages and disadvantages of marginal costing.	Remember	CCMB405.5									
2.	Describe the application of marginal costing incase of key limiting factor.	Understand	CCMB405.5									
3.	Examine the application of marginal costing incase of selection of suitable product mix.	Remember	CCMB405.5									
4.	Discuss the application of marginal costing incase of desired level of profits.	Understand	CCMB405.5									
5.	Examine the application of marginal costing incase of diversification of products.	Remember	CCMB405.5									
6.	Illustrate the application of marginal costing incase of level of activity planning.	Understand	CCMB405.5									
7.	Define marginal costing. Examine the application of marginal costing incase of closing down or suspending activities.	Remember	CCMB405.5									
1.	Describe the application of break-even point for various business problems.	Understand	CCMB405.6									
2.	Explain the meaning, advantages and disadvantages of break even analysis.	Remember	CCMB405.6									
3.	Define break even analysis. Demonstrate the assumptions of break even analysis.	Understand	CCMB405.6									
4.	Examine the application of marginal costing incase of selection of suitable product mix, key factor or limiting factor and desired level of profits.	Understand	CCMB405.6									
5.	Examine the application of marginal costing incase of selection of diversification of products.	Remember	CCMB405.6									
6.	What do you understand by inter-firm comparison? Describe the need and types of inter-firm comparison.	Understand	CCMB405.7									
7.	Discuss the advantages of inter-firm comparisons.	Understand	CCMB405.7									
PART-C (PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)												
1.	Describe the application of marginal costing incase of key limiting factor and selection of suitable product mix.		CCMB405.6									
2.	Enumerate the application of marginal costing incase of level of activity planning, and desired level of profits.		CCMB405.6									
3.	Explain the application of marginal costing incase of diversification of products and closing down or suspending activities.		CCMB405.6									
4.	Examine the meaning,, features , importance and limitations of marginal costing.		CCMB405.6									
1.	<p>You are required to Calculate</p> <p>(i) P/V Ratio</p> <p>(ii) Fixed Cost (Rs.)</p> <p>(iii) Break Even Point (Rs.)</p> <p>(iv) Sales required to earn a Profit of Rs.20,000</p> <p>(v) Profit when sales are Rs.1,25,000 from the following information:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Years</th> <th>Sales (Rs.)</th> <th>Profit (Rs.)</th> </tr> </thead> <tbody> <tr> <td>2000</td> <td>1,00,000</td> <td>15,000</td> </tr> <tr> <td>2001</td> <td>1,20,000</td> <td>23,000</td> </tr> </tbody> </table>	Years	Sales (Rs.)	Profit (Rs.)	2000	1,00,000	15,000	2001	1,20,000	23,000	Understand	CCMB405.7
Years	Sales (Rs.)	Profit (Rs.)										
2000	1,00,000	15,000										
2001	1,20,000	23,000										

2.	<p>The Sales Turnover and profit during two years were given as follows:</p> <table border="1" data-bbox="235 189 998 283"> <thead> <tr> <th>Years</th> <th>Sales (Rs.)</th> <th>Profit (Rs.)</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>1,40,000</td> <td>15,000</td> </tr> <tr> <td>2004</td> <td>1,60,000</td> <td>20,000</td> </tr> </tbody> </table> <p>You are required to calculate the following:</p> <ol style="list-style-type: none"> P/V Ratio Fixed Cost (Rs.) Break Even Point (Value) Sales required to earn a profit of Rs.40,000 Profit when Sales are Rs.1,20,000. 	Years	Sales (Rs.)	Profit (Rs.)	2003	1,40,000	15,000	2004	1,60,000	20,000	Understand	CCMB405.7
Years	Sales (Rs.)	Profit (Rs.)										
2003	1,40,000	15,000										
2004	1,60,000	20,000										
3.	<p>The Sales Turnover and profit during two years were given as follows:</p> <table border="1" data-bbox="235 510 998 625"> <thead> <tr> <th>Years</th> <th>Sales (Rs.)</th> <th>Profit (Rs.)/Loss (Rs.)</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>38,000</td> <td>-2,400</td> </tr> <tr> <td>2010</td> <td>65,000</td> <td>3,000</td> </tr> </tbody> </table> <p>You are required to calculate the following:</p> <ol style="list-style-type: none"> P/V Ratio Fixed Cost (Rs.) Break Even Point (Value) Sales required to earn a profit of Rs.5,000 Profit/Loss when Sales are Rs.46,000. 	Years	Sales (Rs.)	Profit (Rs.)/Loss (Rs.)	2009	38,000	-2,400	2010	65,000	3,000	Understand	CCMB405.7
Years	Sales (Rs.)	Profit (Rs.)/Loss (Rs.)										
2009	38,000	-2,400										
2010	65,000	3,000										
4.	<p>You are required to calculate (i) Break Even Point (Rs.) (ii) Margin of Safety (MOS) (iii) Margin of Safety Ratio (iv) Sales at a Profit of Rs.10,000 from the following information: Sales Rs. 3,00,000 Variable Cost Rs.2,00,000 Fixed Cost Rs. 70,000; Profit Rs. 30,000.</p>	Understand	CCMB405.7									
5.	<p>You are required to calculate (i) Break Even Point (Rs.) (ii) Margin of Safety(MOS) (iii) Margin of Safety Ratio (iv) Sales at a Profit of Rs.10,000 from the following information: Sales Rs. 3,00,000 Variable Cost Rs.2,40,000 Fixed Cost Rs. 30,000; Profit Rs. 30,000</p>	Understand	CCMB405.7									
6.	<p>You are required to compute (i) P/V Ratio (ii) Break Even Point (Rs.) (iii) Sales required to earn a Profit of Rs.4,50,000 from the following: Fixed Expenses Rs.90,000 <u>Variable Cost per Unit</u> Direct Materials Rs. 5 per unit Direct Labour Rs. 2 per unit Direct Overheads 100 % of Direct Labour. Selling Price per Unit Rs.12</p>	Remember	CCMB405.7									
7.	<p>You are required to calculate i) P/V Ratio (ii) B.E.P (in Rs.) (iii) B.E.P (in units) (iv) Margin of Safety from the following: Total Sales Rs.3,60,000 Selling price per unit Rs.100; Variable cost per unit Rs.50 Fixed Cost Rs.1,00,000.</p>	Remember	CCMB405.7									

UNIT-IV			
BUDGETARY CONTROL			
PART-A (SHORT ANSWER QUESTIONS)			
1.	List out the essentials of a budget..	Remember	CCMB405.8
2.	Distinguish between budget and forecast.	Understand	CCMB405.8
3.	Discuss the characteristics of good budgeting.	Remember	CCMB405.8
4.	List out the essentials of budgetary control.	Understand	CCMB405.8
5.	List out the objectives of budgetary control.	Remember	CCMB405.8
6.	List out the any five steps in budgetary control.	Understand	CCMB405.8
7.	Describe any five advantages of budgetary control.	Understand	CCMB405.8
8.	Discuss any five demerits of budgetary control.	Remember	CCMB405.9
9.	List out the importance of flexible budget.	Understand	CCMB405.9
10.	Distinguish between fixed budget and flexible budget.	Remember	CCMB405.9
11.	State the meaning of cash budget.	Remember	CCMB405.9
12.	List out the advantages of cash budget.	Understand	CCMB405.9
13.	State the factors which are considered for preparation of production budget.	Remember	CCMB405.9
14.	Briefly explain the meaning and advantages of master budget.	Understand	CCMB405.9
15.	Discuss the meaning and characteristics of performance budget.	Understand	CCMB405.10
16.	List out the uses of performance budget.	Understand	CCMB405.10
17.	Explain any five requisites for successful budgetary control system.	Understand	CCMB405.10
18.	State the steps which are involved in zero based budgeting.	Remember	CCMB405.10
19.	State any five advantages of zero based budgeting.	Remember	CCMB405.10
20.	Write any four differences between fixed budget and flexible budget.	Understand	CCMB405.10
21.	Explain the functions of cost audit.	Understand	CCMB405.10
PART-B (LONG ANSWER QUESTIONS)			
1.	Explain the advantages and disadvantages of budgetary control.	Remember	CCMB405.8
2.	Examine the steps which are involved in budgetary control.	Remember	CCMB405.8
3.	Define budgetary control. Explain the objectives of budgetary control.	Understand	CCMB405.8
4.	Define zero based budgeting. Discuss the advantages and limitations of zero based budgeting.	Remember	CCMB405.8
5.	Distinguish between fixed budget and flexible budget.	Understand	CCMB405.9
6.	Distinguish between standard costing and budgetary control.	Understand	CCMB405.9
5.	What is cost audit? Discuss different types of cost audit.	Understand	CCMB405.9
6.	Discuss the objectives of cost audit.	Understand	CCMB405.9
7.	Define cost audit. Explain the advantages of cost audit.	Remember	CCMB405.9
8.	Define management audit. Examine the objectives of management audit.	Remember	CCMB405.9
9.	Write the scope of management audit.	Understand	CCMB405.10
10.	Write the requisites for a successful budgetary control system	Understand	CCMB405.10
PART-C (PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)			

1.	<p>The expenses for the production of 5,000 units in a factory are given as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">Per Unit (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Materials</td> <td style="text-align: right;">50</td> </tr> <tr> <td>Labour</td> <td style="text-align: right;">20</td> </tr> <tr> <td>Variable overheads</td> <td style="text-align: right;">15</td> </tr> <tr> <td>Fixed overheads (Rs.50,000)</td> <td style="text-align: right;">10</td> </tr> <tr> <td>Administrative expenses (5% variable)</td> <td style="text-align: right;">10</td> </tr> <tr> <td>Selling expenses (20% fixed)</td> <td style="text-align: right;">6</td> </tr> <tr> <td>Distribution expenses (10% fixed)</td> <td style="text-align: right;">5</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">116</td> </tr> </tbody> </table> <p>Prepare a flexible budget for 7,000 units from the above information.</p>		Per Unit (Rs.)	Materials	50	Labour	20	Variable overheads	15	Fixed overheads (Rs.50,000)	10	Administrative expenses (5% variable)	10	Selling expenses (20% fixed)	6	Distribution expenses (10% fixed)	5	Total	116	Understand	CCMB405.10																		
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Total	116																																						
2.	<p>The following information at 50% capacity is given. Prepare a flexible budget and forecast the profit or loss at 60%, 70% and 90% capacities.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">At 50% capacity (Rs.)</th> </tr> </thead> <tbody> <tr> <td colspan="2">Fixed expenses:</td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>Rent and Taxes</td> <td style="text-align: right;">40,000</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">60,000</td> </tr> <tr> <td>Administrative expenses</td> <td style="text-align: right;">70,000</td> </tr> <tr> <td colspan="2">Variable expenses:</td> </tr> <tr> <td>Materials</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>Labour</td> <td style="text-align: right;">2,50,000</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">40,000</td> </tr> <tr> <td colspan="2">Semi-variable expenses:</td> </tr> <tr> <td>Repairs</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Indirect Labour</td> <td style="text-align: right;">1,50,000</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">90,000</td> </tr> </tbody> </table> <p>It is estimated that fixed expenses will remain constant at all levels of capacities. Semi variable expenses will not change between 45%-60% capacity, will rise by 10% between 60%-75% capacity, a further increase of 5% when the capacity crosses 75% capacity.</p> <p>Estimated sales at various levels of capacities are given as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Capacity</th> <th style="text-align: right;">Sales (Rs.)</th> </tr> </thead> <tbody> <tr> <td>60%</td> <td style="text-align: right;">11,00,000</td> </tr> <tr> <td>70%</td> <td style="text-align: right;">13,00,000</td> </tr> <tr> <td>90%</td> <td style="text-align: right;">15,00,000</td> </tr> </tbody> </table>		At 50% capacity (Rs.)	Fixed expenses:		Salaries	50,000	Rent and Taxes	40,000	Depreciation	60,000	Administrative expenses	70,000	Variable expenses:		Materials	2,00,000	Labour	2,50,000	Others	40,000	Semi-variable expenses:		Repairs	1,00,000	Indirect Labour	1,50,000	Others	90,000	Capacity	Sales (Rs.)	60%	11,00,000	70%	13,00,000	90%	15,00,000	Remember	CCMB405.10
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3.	<p>Mr. Atulya manufactures two types of toys Raja and Rani and sells them in Agra and Bombay markets. The following information is made available for the current year:</p> <table border="1" data-bbox="191 256 1166 430"> <thead> <tr> <th>Market</th> <th>Type</th> <th>Budgeted sales</th> <th>Actual sales</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Agra</td> <td>Raja</td> <td>400 at Rs.9 each</td> <td>500 at Rs.9 each</td> </tr> <tr> <td>Rani</td> <td>300 at Rs.21 each</td> <td>200 at Rs.21 each</td> </tr> <tr> <td rowspan="2">Bombay</td> <td>Raja</td> <td>600 at Rs.9 each</td> <td>700 at Rs.9 each</td> </tr> <tr> <td>Rani</td> <td>500 at Rs.21 each</td> <td>400 at Rs.21 each</td> </tr> </tbody> </table> <p>Market studies reveal that toy raja is popular product as it is under priced. It is observed that if its price is increased by Rs.1 it will find a readymade market. On the other hand, rani is over-priced and market could absorb more sales if its selling price is reduced to Rs.20. The management has agreed to give effect to the above changes.</p> <p>On the above basis the following estimates have been prepared by sales manager:</p> <table border="1" data-bbox="191 640 1166 766"> <thead> <tr> <th>Product</th> <th>% increase in sales</th> <th>Over current budget</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">Agra</td> <td style="text-align: center;">Bombay</td> </tr> <tr> <td>Raja</td> <td style="text-align: center;">+10%</td> <td style="text-align: center;">+5%</td> </tr> <tr> <td>Rani</td> <td style="text-align: center;">+20%</td> <td style="text-align: center;">+10%</td> </tr> </tbody> </table> <p>With the help of an intensive advertisement campaign, the following additional sales of sales manager are possible:</p> <table border="1" data-bbox="191 829 1166 955"> <thead> <tr> <th>Product</th> <th>Agra</th> <th>Bombay</th> </tr> </thead> <tbody> <tr> <td>Raja</td> <td style="text-align: center;">60 units</td> <td style="text-align: center;">70 units</td> </tr> <tr> <td>Rani</td> <td style="text-align: center;">40 units</td> <td style="text-align: center;">50 units</td> </tr> </tbody> </table> <p>You are required to prepare sales budget for incorporate the above estimates.</p>	Market	Type	Budgeted sales	Actual sales	Agra	Raja	400 at Rs.9 each	500 at Rs.9 each	Rani	300 at Rs.21 each	200 at Rs.21 each	Bombay	Raja	600 at Rs.9 each	700 at Rs.9 each	Rani	500 at Rs.21 each	400 at Rs.21 each	Product	% increase in sales	Over current budget		Agra	Bombay	Raja	+10%	+5%	Rani	+20%	+10%	Product	Agra	Bombay	Raja	60 units	70 units	Rani	40 units	50 units	Understand	CCMB405.10
Market	Type	Budgeted sales	Actual sales																																							
Agra	Raja	400 at Rs.9 each	500 at Rs.9 each																																							
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4.	<p>The following information relates to a flexible budget at 60% capacity. Find out the overhead costs at 50% and 70% capacities and also determine the overhead rates.</p> <table data-bbox="284 1186 860 1522"> <thead> <tr> <th colspan="2">Fixed expenses:</th> <th>at 60% capacity (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Salaries</td> <td></td> <td style="text-align: right;">70,000</td> </tr> <tr> <td>Insurance</td> <td></td> <td style="text-align: right;">4,000</td> </tr> <tr> <td>Depreciation</td> <td></td> <td style="text-align: right;">20,000</td> </tr> <tr> <th colspan="2">Variable expenses:</th> <td></td> </tr> <tr> <td>Indirect Materials</td> <td></td> <td style="text-align: right;">8,400</td> </tr> <tr> <td>Indirect Labour</td> <td></td> <td style="text-align: right;">10,500</td> </tr> <tr> <th colspan="2">Semi-variable expenses:</th> <td></td> </tr> <tr> <td>Repairs (70% fixed)</td> <td></td> <td style="text-align: right;">7,000</td> </tr> <tr> <td>Electricity (50% fixed)</td> <td></td> <td style="text-align: right;">25,200</td> </tr> <tr> <td>Estimated direct labour hours</td> <td></td> <td style="text-align: right;">1,20,000</td> </tr> </tbody> </table>	Fixed expenses:		at 60% capacity (Rs.)	Salaries		70,000	Insurance		4,000	Depreciation		20,000	Variable expenses:			Indirect Materials		8,400	Indirect Labour		10,500	Semi-variable expenses:			Repairs (70% fixed)		7,000	Electricity (50% fixed)		25,200	Estimated direct labour hours		1,20,000	Understand	CCMB405.10						
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5.	<p>Prepare a production budget for each month and summarized production cost budget for the six months period ending 31st December,2005 from the following data of product X The units to be sold for the different months are as follows:</p> <table border="1" data-bbox="354 247 695 493"> <thead> <tr> <th>2005</th> <th>Units</th> </tr> </thead> <tbody> <tr> <td>July</td> <td>1,100</td> </tr> <tr> <td>August</td> <td>1,100</td> </tr> <tr> <td>September</td> <td>1,700</td> </tr> <tr> <td>October</td> <td>1,900</td> </tr> <tr> <td>November</td> <td>2,500</td> </tr> <tr> <td>December</td> <td>2,300</td> </tr> <tr> <td>January,2006</td> <td>2,000</td> </tr> </tbody> </table> <p>i) There will be no work-in progress at the end of any month. ii) Finished units equal to half of the sales for the next month will be in stock at the end of each month (including June,2005). iii) Budgeted production and production cost for the year ending 31st December,2005 are given as follows:</p> <table border="1" data-bbox="381 646 747 739"> <tbody> <tr> <td>Production (units)</td> <td>22,000</td> </tr> <tr> <td>Direct materials per unit</td> <td>Rs.10</td> </tr> <tr> <td>Direct wages per unit</td> <td>Rs. 4</td> </tr> </tbody> </table> <p>Total factory overheads apportioned to products Rs.88,000.</p>	2005	Units	July	1,100	August	1,100	September	1,700	October	1,900	November	2,500	December	2,300	January,2006	2,000	Production (units)	22,000	Direct materials per unit	Rs.10	Direct wages per unit	Rs. 4	Understand	CCMB405.10
2005	Units																								
July	1,100																								
August	1,100																								
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Direct materials per unit	Rs.10																								
Direct wages per unit	Rs. 4																								

6.	<p>From the following forecasts of income and expenditure, prepare a cash budget for the months January to April, 2005:</p> <table border="1" data-bbox="191 898 987 1369"> <thead> <tr> <th>Months</th> <th>Credit Sales (Rs.)</th> <th>Credit Purchases(Rs.)</th> <th>Wages(Rs.)</th> <th>Manu factur ing Expen ses(R s.)</th> <th>Admn .Exp. (Rs.)</th> <th>Selling Exp. (Rs.)</th> </tr> </thead> <tbody> <tr> <td>2004, Nov</td> <td>30,000</td> <td>15,000</td> <td>3,000</td> <td>1,150</td> <td>1,060</td> <td>500</td> </tr> <tr> <td>Dec</td> <td>35,000</td> <td>20,000</td> <td>3,200</td> <td>1,225</td> <td>1,040</td> <td>550</td> </tr> <tr> <td>2005, Jan</td> <td>25,000</td> <td>15,000</td> <td>2,500</td> <td>990</td> <td>1,100</td> <td>600</td> </tr> <tr> <td>Feb</td> <td>30,000</td> <td>20,000</td> <td>3,000</td> <td>1,050</td> <td>1,150</td> <td>620</td> </tr> <tr> <td>March</td> <td>35,000</td> <td>22,500</td> <td>2,400</td> <td>1,100</td> <td>1,220</td> <td>570</td> </tr> <tr> <td>April</td> <td>40,000</td> <td>25,000</td> <td>2,600</td> <td>1,200</td> <td>1,180</td> <td>710</td> </tr> </tbody> </table> <p>Additional information is as follows: Cash in hand as on 1-1-2005 Rs.15,000</p> <ol style="list-style-type: none"> The customers are allowed a credit period of 2 months. A dividend of Rs.10,000 is payable in April. Capital expenditure to be incurred: Plant purchased on 15th of January for Rs.5,000; a building has been purchased on 1st March and the payments are to be made in monthly instalment of Rs.2,000 each. The creditors are allowing a credit of 2 months. Wages are paid on the 1st of the next month. (6) Lag in payment of other expenses is 1 month. 	Months	Credit Sales (Rs.)	Credit Purchases(Rs.)	Wages(Rs.)	Manu factur ing Expen ses(R s.)	Admn .Exp. (Rs.)	Selling Exp. (Rs.)	2004, Nov	30,000	15,000	3,000	1,150	1,060	500	Dec	35,000	20,000	3,200	1,225	1,040	550	2005, Jan	25,000	15,000	2,500	990	1,100	600	Feb	30,000	20,000	3,000	1,050	1,150	620	March	35,000	22,500	2,400	1,100	1,220	570	April	40,000	25,000	2,600	1,200	1,180	710	Understand	CCMB405.10
Months	Credit Sales (Rs.)	Credit Purchases(Rs.)	Wages(Rs.)	Manu factur ing Expen ses(R s.)	Admn .Exp. (Rs.)	Selling Exp. (Rs.)																																														
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UNIT-V

STANDARD COSTING

PART-A(SHORT ANSWER QUESTIONS)

1.	Describe the significance of marginal costing.	Understand	CCMB405.11
2.	Discuss the limitations of marginal costing.	Understand	CCMB405.11

3.	List out the elements of standard cost.	Remember	CCMB405.11
4.	Define standard costing. Write the essentials for an effective system of standard costing.	Understand	CCMB405.11
5.	Examine the steps which are involved in standard costing.	Understand	CCMB405.11
6.	Write any five advantages of standard costing.	Understand	CCMB405.11
7.	Examine any five limitations of standard costing.	Understand	CCMB405.11
8.	Distinguish between standard costing and budgetary control.	Remember	CCMB405.11
9.	Distinguish between estimated costing and standard costing.	Remember	CCMB405.11
10.	Distinguish between standard costing and marginal costing.	Remember	CCMB405.12
11.	Define variance analysis. Write the objectives of variance analysis.	Understand	CCMB405.12
12.	Explain the advantages of variance analysis.	Understand	CCMB405.12
13.	Write the formulae of different types of material variances.	Understand	CCMB405.12
14.	Write the formulae of different types of labour variances.	Understand	CCMB405.12
15.	Write the reasons for material usage variances.	Remember	CCMB405.12
16.	Examine the reasons for material price variances.	Remember	CCMB405.12
17.	Discuss the reasons for material mix variance.	Understand	CCMB405.12
18.	State the reasons for material yield variance.	Understand	CCMB405.12
19.	Examine the formulae of sales variance under profit method.	Remember	CCMB405.12
20.	Examine the formulae of sales variance under value method..	Remember	CCMB405.12
21.	Write the reasons for labour rate variance.	Understand	CCMB405.12
22.	State the the reasons for labour efficiency variance.	Remember	CCMB405.12

PART-B(LONG ANSWER QUESTIONS)

1.	Define standard costing. Explain advantages of standard costing.	Understand	CCMB405.11
2.	Define standard costing. Explain limitations of standard costing.	Understand	CCMB405.11
3.	Distinguish between standard costing and budgetary control.	Understand	CCMB405.11
4.	Define variance Analysis. Discuss the advantages and limitations of variance analysis.	Understand	CCMB405.12
5.	Discuss different types of material variances with formulae.	Remember	CCMB405.12
6.	Examine different types of labour variances with suitable formulae.	Remember	CCMB405.12
7.	Explain different types of sales variances with formulae.	Remember	CCMB405.12
8.	Examine the reasons for material price and usage variances.	Understand	CCMB405.12
9.	Examine the reasons for labour efficiency and labour rate variances.	Understand	CCMB405.12
10.	Examine the formulas for different types of sales variances under profit method and value method.	Understand	CCMB405.12

PART-C (PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)

1	<p>From the following information, calculate i) material cost variance ii) material price variance iii) material usage variance</p> <table border="1" data-bbox="175 226 1068 499"> <thead> <tr> <th>Products</th> <th>Standard Quantity (Units)</th> <th>Standard price Rs.</th> <th>Actual Quantity (Units)</th> <th>Actual Price (Rs.)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>1,050</td> <td>2.00</td> <td>1,100</td> <td>2.25</td> </tr> <tr> <td>B</td> <td>1,500</td> <td>3.25</td> <td>1,400</td> <td>3.50</td> </tr> <tr> <td>C</td> <td>2,100</td> <td>3.50</td> <td>2,000</td> <td>3.75</td> </tr> </tbody> </table>	Products	Standard Quantity (Units)	Standard price Rs.	Actual Quantity (Units)	Actual Price (Rs.)	A	1,050	2.00	1,100	2.25	B	1,500	3.25	1,400	3.50	C	2,100	3.50	2,000	3.75	Understand	CCMB405.11
Products	Standard Quantity (Units)	Standard price Rs.	Actual Quantity (Units)	Actual Price (Rs.)																			
A	1,050	2.00	1,100	2.25																			
B	1,500	3.25	1,400	3.50																			
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2.	<table border="1" data-bbox="175 579 1068 907"> <thead> <tr> <th>Products</th> <th>Standard Quantity (Units)</th> <th>Standard price Rs.</th> <th>Actual Quantity (Units)</th> <th>Actual Price (Rs.)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>40</td> <td>10.00</td> <td>50</td> <td>12.00</td> </tr> <tr> <td>B</td> <td>60</td> <td>5.00</td> <td>50</td> <td>8.00</td> </tr> </tbody> </table> <p>From the above information, calculate material mix variance:</p>	Products	Standard Quantity (Units)	Standard price Rs.	Actual Quantity (Units)	Actual Price (Rs.)	A	40	10.00	50	12.00	B	60	5.00	50	8.00	Understand	CCMB405.11					
Products	Standard Quantity (Units)	Standard price Rs.	Actual Quantity (Units)	Actual Price (Rs.)																			
A	40	10.00	50	12.00																			
B	60	5.00	50	8.00																			
3.	<p>From the following information, compute material mix variance:</p> <table border="1" data-bbox="175 1014 1105 1304"> <thead> <tr> <th>Commodities</th> <th>Standard Quantity (Units)</th> <th>Standard price Rs.</th> <th>Actual Quantity (Units)</th> <th>Actual Price (Rs.)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>50</td> <td>2.00</td> <td>60</td> <td>2.25</td> </tr> <tr> <td>B</td> <td>100</td> <td>1.20</td> <td>90</td> <td>1.75</td> </tr> </tbody> </table> <p>Due to the shortage of material A, the use of material A was reduced by 10% and that of material B increased by 5%.</p>	Commodities	Standard Quantity (Units)	Standard price Rs.	Actual Quantity (Units)	Actual Price (Rs.)	A	50	2.00	60	2.25	B	100	1.20	90	1.75	Understand	CCMB405.11					
Commodities	Standard Quantity (Units)	Standard price Rs.	Actual Quantity (Units)	Actual Price (Rs.)																			
A	50	2.00	60	2.25																			
B	100	1.20	90	1.75																			

4.	From the following data compute various material variances:				Remember	CCMB405.12	
	Products	Standard Quantity (Units)	Standard price Rs.	Actual Quantity (Units)	Actual Price (Rs.)		
A	80	8.00	90	7.50			
B	70	3.00	80	4.00			
5.	From the following information, compute various material variances:				Understand	CCMB405.12	
	Products	Standard Quantity (Units)	Standard price Rs.	Actual Quantity (Units)	Actual Price (Rs.)		
P	50	2.00	60	2.25			
Q	100	1.20	90	1.75			
6.	From the following information, calculate i) material cost variance ii) material price variance iii) material usage variance				Understand	CCMB405.12	
	Products	Standard Quantity (Units)	Standard price Rs.	Actual Quantity (Units)	Actual Price (Rs.)		
X	800	2.00	900	2.25			
Y	1,000	3.25	1,500	3.50			
Z	2,000	3.50	3,000	3.75			

7.	<p>The information regarding the composition and the weekly wage rates of labour force engaged on a job scheduled to be completed in 30 weeks are as follows:</p> <table border="1" data-bbox="175 233 1138 747"> <thead> <tr> <th>Type of worker</th> <th>Standard No.of workers</th> <th>Standard weekly wage rate per worker Rs.</th> <th>Actual No.of workers</th> <th>Actual weekly wage rate per worker (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Skilled</td> <td>75</td> <td>60</td> <td>70</td> <td>70</td> </tr> <tr> <td>Semi-skilled</td> <td>45</td> <td>40</td> <td>30</td> <td>50</td> </tr> <tr> <td>Unskilled</td> <td>60</td> <td>30</td> <td>80</td> <td>20</td> </tr> </tbody> </table> <p>The work was completed in 32 weeks. Calculate various labour variances.</p>	Type of worker	Standard No.of workers	Standard weekly wage rate per worker Rs.	Actual No.of workers	Actual weekly wage rate per worker (Rs.)	Skilled	75	60	70	70	Semi-skilled	45	40	30	50	Unskilled	60	30	80	20	Remember	CCMB405.12
Type of worker	Standard No.of workers	Standard weekly wage rate per worker Rs.	Actual No.of workers	Actual weekly wage rate per worker (Rs.)																			
Skilled	75	60	70	70																			
Semi-skilled	45	40	30	50																			
Unskilled	60	30	80	20																			
8.	<p>The following data is taken out from the books of a manufacturing concern:</p> <p>Budgeted labour composition for producing 100 articles 20 Men @Rs.1.25 per hour for 25 hours 30 Women @Rs.1.10 per hour for 30 hours.</p> <p>Actual labour composition for producing 100 articles 25 Men @Rs.1.50 per hour for 24 hours 25 Women @Rs.1.20 per hour for 25 hours.</p> <p>Compute various labour variances.</p>	Understand	CCMB405.12																				
9.	<p>The standard and actual sales for a period in respect of two products are as follows:</p> <table border="1" data-bbox="175 1234 1036 1514"> <thead> <tr> <th>Products</th> <th>Standard Quantity (Units)</th> <th>Standard price Rs.</th> <th>Actual Quantity (Units)</th> <th>Actual Price (Rs.)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>600</td> <td>3.00</td> <td>800</td> <td>4.00</td> </tr> <tr> <td>B</td> <td>800</td> <td>4.00</td> <td>600</td> <td>3.00</td> </tr> </tbody> </table> <p>Calculate various types of sales variances.</p>	Products	Standard Quantity (Units)	Standard price Rs.	Actual Quantity (Units)	Actual Price (Rs.)	A	600	3.00	800	4.00	B	800	4.00	600	3.00	Remember	CCMB405.12					
Products	Standard Quantity (Units)	Standard price Rs.	Actual Quantity (Units)	Actual Price (Rs.)																			
A	600	3.00	800	4.00																			
B	800	4.00	600	3.00																			

10.	<p>The following data is taken out from the books of a manufacturing concern:</p> <p>Budgeted labour composition for producing 100 articles: 40 Men @Rs.1.50 per hour for 25 hours 20 Women @Rs.1.20 per hour for 30 hours.</p> <p>Actual labour composition for producing 100 articles: 55 Men @Rs.2.50 per hour for 24 hours 35 Women @Rs.1.50 per hour for 25 hours.</p> <p>Compute various labour variances.</p>	Understand	CCMB405.12
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Prepared By: Dr.J.S.V.Gopala Sarma
Professor
MBA Department.

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