

Tribhuvan University

2079

B.B.S. **4 Yrs. Prog.** / II Year / MGMT

Cost & Management Accounting

Full Marks: 100

(MGT.212) New Course

Time: 3 hrs.

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

Attempt ALL questions.

Brief Answer Questions

[10×2=20]

1. Write down any two limitations of financial accounting.
2. What is perpetual inventory system?
3. Explain the meaning of activity based costing.
4. What is batch costing?
5. Define flexible budget.
6. The following information is available:
 - Annual requirement = 40,000 units
 - Ordering Cost per Order = Rs.400
 - Cost per unit = Rs.20
 - Carry cost per unit = 10 % of inventory value

Required: Total cost at EOQ

7. A worker gets a total wages of Rs.4,000 for a job after working 20 hours. The wage rate per hour is Rs.180.

Required: Amount of bonus under Rowan Plan

8. A manufacturing Company's cost structure at two different levels of outputs are:

Output (Units)	Total Cost (Rs.)
5,000	12,000
9,000	20,000

(1)

Required: Total cost for 6,000 units using High Low Method

9. The production plan of a company for three months is:

Months	January	February	March
Units	10,000	11,000	12,000

Labour hour per unit is 2 hours and rate per labour hour is Rs.10

Required: Direct labour cost for three months ending March

10. The following information are provided:

Work Certified = Rs.2,000,000

Work Uncertified = Rs.150,000

Notional profit transfer to reserve = Rs.180,000

Cash received = Rs.1,600,000

Required: Work in progress account

Short Answer Questions (Attempt any Five)

(5×10=50)

11. a. What is contract costing? Why is it needed? (2+3=5)

- b. The following information is provided:

Rent ----- Rs. 6,000
Lighting ----- 5,000
Supervision ----- 3,000
Insurance ----- 2,000
Total ----- 16,000

(2)

Estimated labour hours in the month are 8,000 hours and estimated machine hours are 4,000.

Required: Calculate overhead rate per labour hour and machine hour. (2x2.5=5)

12. a. What is Job-order Costing? Also, explain the importance of Job-order Costing. (2+3=5)

b. Following are the information of a renowned Hotel in Nepal

Expenses (Rs.) summary:

- Total salaries = 50,000 per month
- Lighting and heating = 60,000 per annum
- Repair and maintenance = 40,000 per annum
- Depreciation on fixed assets = 15% of Rs.1,000,000
- Insurance = Rs.5,000 per month
- Miscellaneous = Rs.194,000 per annum

Profit margin 25% on cost

Total number of rooms = 20

Occupancy ratio:

- For 150 days = 100%
- For 210 days = 60%

Required:

- Operating cost statement
- Single room charge per day (3+2=5)

13. The following information regarding labour are:

Standard:

Types	No.	Rate per hour
Skilled	2	Rs.4

(3)

Semi-Skilled	3	Rs.3
Un-Skilled	5	Rs.2
	10	

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Actual:

Types	No.	Rate per hour
Skilled	2	Rs.5
Semi-Skilled	4	Rs.4
Un-Skilled	4	Rs.2
	10	

Standard hours needed to work and actual hours paid for a week is 40 hours. Actual output produced by the workers is 340 units and Standard output per gang hour is 8 units

Required: Labour Variances $(5 \times 2 = 10)$

14. Income Statement of a MM Company is as follows:

Production and Sales Units:	12,000
Sales Revenue @ Rs.200	Rs.240,000
<u>Less: Variable Cost @ Rs.100</u>	<u>Rs.120,000</u>
Contribution Margin	Rs.120,000
<u>Less: Fixed Cost</u>	<u>Rs.80,000</u>
Net Income before Tax	Rs.40,000

(4)

P.T.O.

PC.