



# Shree H. N. Shukla College of Management Studies, Rajkot

(AFFILIATED TO SAURASHTRA UNIVERSITY)

## Assignment

**M COM SEM - 3**

**Year: 2022**

**Sub: Advanced Cost Accounting**

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**There are 10 questions.**

**Submit any 5 of them.**

**Q.1**

The details of overhead of Niraj Ltd for May, 2000 are as follows:

	Budgeted	Actual
Fixed Overheads	600	620
Variable Overhead	2400	2600
Production (units)	3000	3200
Hours	1500	1600
Working days	24	26

Calculate Various Overhead Variances.

**Q.2**

The data from the budget and actual data of "Madhav Mention" factory for January, 2021 are as follow:

Budgeted production 600 units.

Budget variable overheads Rs. 15,600.

Standard time for production of one unit: 20 hours

Actual production during the month: 500 units.

Actual variable overhead expenses for month Rs. 14,000.

Actual hours during the month 9,000 hours.

From the above calculate:

- 1) Variable overhead cost variance.
- 2) Variable overhead expenditure variance
- 3) Variable overhead Efficiency variance

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## Q.3

The following information is received from a factory.

Particulars	Budgeted	Actual
For month of May:		
Standard time for one unit (hours)	10	-
Fixed Overheads	10,000	12,000
Production (units)	2000	2100
Actual hours worked	-	22,000

From the above details, find out:

1. Fixed overhead variance.
2. Volume variance.
3. Capacity variance.
4. Efficiency variance.

## Q.4

Following is the information about sales by a company in April 2021

	Standard		Actual	
	Quantity	Price	Quantity	Price
A	1000	12	1200	13
B	600	15	400	14
	1600		1600	

Compute Sales Variance.

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## Q.5

A company furnishes details about its sales and profit for the year 2020 as follows.  
Calculate sales variances on profit basis from these details.

Product	Budgeted				
	Units	Sales price per unit	Total	Cost price per unit	Total
A	12,000	5	60,000	4	48,000
B	8000	10	80,000	8	64,000
	20,000		1,40,000		1,12,000

Product	Actual				
	Units	Sales price per unit	Total	Cost price per unit	Total
A	15,000	4.5	67,500	3.5	52,500
B	7500	12	90,000	8.5	63,750
	22,500		1,57,500		1,16,250

## Q.6

A company has budgeted the following sales for January, 2017:

Product A: 1,800 units at Rs. 10 per unit

Product B: 1,300 units at Rs. 20 per unit

Product C: 2,400 units at Rs. 15 per unit

The actual sales are as under:

Product A: 2,000 units at Rs. 11 sales price per unit

Product B: 1,400 units at Rs. 19 sales price per unit

Product C: 2,200 units at Rs. 16 sales per unit

The cost per unit of A, B and C was Rs. 9, Rs. 17 and Rs. 13 respectively Calculated sales variance based on profit.

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## Q.7

Asha company manufactures a product 'P' cost of producing first unit of 'P' is as under:

Raw materials: Rs. 80,000

Labour Cost: 300 hours at Rs. 120 per hour.

Variable overheads: Rs. 40 per hour.

If there is a 90% learning curve effect, compute the cost of producing 1 unit and 8 unit 'H' as well as average cost per unit.

## Q.8

A firm has received an order to manufacture and supply 8 units of product which involves complex and difficult labour work. Manufacturing time of the first unit was 10 hours. It is known that in this work 80% impact of learning curve applies. Wages of labour is Rs. 12 per hour.

1. Find out labour cost and total time in the execution of this order.
2. If another order for 24 units is received from the same customer, show calculation of necessary labour cost

## Q.9

"Rathi Engineering Ltd." Manufacture different types of machinery. From the information given below, find the average production cost of "Radha" brand machine for: (1) Production of 4 machines (2) Production of 8 machines.

Direct materials per machine Rs. 8,000.

Direct wages Rs. 25 per hour.

Fixed overheads:

For production of upto 5 machines Rs. 12,500.

For production of more than 5 machines upto 8 machines Rs. 16,000.

For the production of the first machine, the necessary human hours are 500.

Learning curve rate 80%.

Moreover, when the learning curve rate is 90% in application, then find the production cost of the 8th machine.

## Q.10

Give answer: (any three)

- (1) Importance of cost Audit.
- (2) Objectives of cost reduction.
- (3) Characteristics of cost control.
- (4) Difference Cost control and cost reduction.
- (5) Sachar committee.



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