



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2021

Course: Cost and Management Accounting
Program: MBA (International Business)
Course Code: FINC7035
Instructions:

Semester : 1st
Duration : 03 hrs.
Max. Marks: 100

Q.No	Section A (Type the answers in test box)	10Qx2M=20Marks	COs
Q1	Bin card shows the value of a material at any movement of time. (T/F)	2 Marks	CO1
Q2	FIFO method of pricing material issues results in higher profits. (T/F)	2 Marks	CO1
Q3	The cost that tends to vary in accordance with level of activity: (A) fixed cost (B) overheads (C) factory cost (D) variable cost	2 Marks	CO1
Q4	The monthly cost of maintenance of machinery for 12,000 machine hours run is INR 1,70,000 and for 18,500 hours it is INR 2,02,500. The cost of maintenance for 14,000 hours is INR_____. (A) 1,90,000 (B) 1,80,000 (C) 1,85,000 (D) 2,00,000	2 Marks	CO1
Q5	The manufacturing overhead of XYZ Ltd. is INR 32,00,000 p.a. for an activity level of 3,00,000 machine hours. If the activity level is increased to 8,00,000 machine hours, its manufacturing overhead would be INR 52,00,000. The manufacturing overhead for an activity level of 5,00,000 machine hours is: (A) INR 20,00,000 (B) INR 40,00,000 (C) INR 60,00,000 (D) INR 50,00,000	2 Marks	CO1
Q6	Activity Based Costing identifies the activities which cause overheads to be incurred and trace _____ of these activities. (A) cost pools (B) cost drivers (C) cost objects (D) cost centre	2 Marks	CO1

Q7	Costs are grouped into (A) cost drivers (B) cost objects (C) cost pools (D) cost units	2 Marks	CO1
Q8	Costing and Cost Accounting are the same. (T/F)	2 Marks	CO1
Q9	A cost which is partly variable and partly fixed is called semi variable cost. (T/F)	2 Marks	CO1
Q10	Fixed costs vary with volume rather than time. (T/F)	2 Marks	CO1
	Section B (Scan and upload)	4Qx5M= 20 Marks	
Q11	Discuss the use of absorption and marginal costing.	5 Marks	CO2
Q12	Differentiate between contribution and profit.	5 Marks	CO2
Q13	What is margin of safety? How to improve it?	5 Marks	CO2
Q14	What do you understand by CVP analysis?	5 Marks	CO2
	Section C (Scan and upload)	3Qx10M=30 Marks	
Q15	From the following information, calculate minimum stock level, maximum stock level and re-ordering level: (i) Maximum Consumption = 200 units per day (ii) Minimum Consumption = 120 units per day (iii) Normal Consumption = 160 units per day (iv) Reorder period = 10-15 days (v) Reorder quantity = 1,600 units (vi) Normal reorder period = 10 days.	10 Marks	CO3
Q16	X Ltd. bought and consumed during the year 2005, 3,600 units of material Y. The cost of placing an order is 1,000 and the cost of carrying one unit for a year is 20. Calculate economic order quantity.	10 Marks	CO3
Q17	Explain the distinction between budget and forecast.	10 Marks	CO2
	Section D (Scan and upload)	2Qx15M= 30 Marks	
Q18	A company manufacturing two products furnishes the following data for a year	15 Marks	CO4

Product	Annual output	Total Machine Hours	Total number of purchase order	Total no. of setups
A	5000	20000	160	20
B	60000	120000	384	44

Volume related activity costs Rs. 5,50,000
 Set up related costs Rs. 8,20,000
 Purchase related costs Rs. 6,18,000
 Total 19,88,000

You are required to calculate the cost per unit of each product A and B based on
 (a) Traditional method of charging overheads.
 (b) Activity based costing method.

Q19	<p data-bbox="224 789 1105 856">Details of receipts and issues of a material in a factory during March are as follows:</p> <p data-bbox="224 898 321 930">March-</p> <p data-bbox="224 972 1092 1440"> 1st Opening balance 500 quintals @ Rs.25 3rd Issued 70 quintals 4th Issued 100 quintals 8th Issued 80 quintals 13th Received from vendor 200 quintals @ Rs.24.50 14th Return of surplus from a work order 15 quintals @ Rs.24 16th Issued 180 quintals 20th Received from vendor 240 quintals @ Rs.26 24th Issued 280 quintals 25th Issued 140 quintals 27th Return from a work order 12 quintals @ Rs.24.50 28th Received from vendor 100 quintals @ Rs.25 29th Returned to vendor 50 quintals. There was shortage of 5 quintals on 15th and 8 quintals on 27th. </p> <p data-bbox="224 1482 906 1514">Write up stores ledger using FIFO OR LIFO method.</p>	15 Marks	CO4
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