

**GENERAL INSTRUCTIONS TO CANDIDATES**

1. The question paper comprises two parts, Part I and Part II.
2. Part I comprises Multiple Choice Questions (MCQs).
3. Part II comprises questions which require descriptive answers.
4. Answers to Questions of Part I (i.e., MCQs) are to be marked on the OMR answer sheet as given on the cover page of descriptive answer book only. Answers to questions in Part II (i.e. descriptive questions) are to be written inside the descriptive answer book. Answers to MCQs, if written inside the descriptive answer book will not be evaluated.
5. OMR answer sheet given on the cover page of descriptive answer book will be in English only for all candidates, including for Hindi medium candidates.
6. The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive answer book.
7. You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
8. **Duration of the examination is 3 hours.** You will be required to submit the descriptive answer book with OMR cover page to the invigilator before leaving the exam hall, after the conclusion of the exam.
9. The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the descriptive answer book.
10. Candidate found copying or receiving or giving any help or defying instructions of the invigilators or having/using mobile phone or smart watch or any other electronic gadget will be expelled from the examination and will also be liable for further punitive action.

**PART - I**

1. Answer all MCQs, on the OMR Answer Sheet as given on the cover page of descriptive answer book.
2. Use HB pencil only to darken the circles for MCQ answers in the answer sheet.
3. After each MCQ, four options have been given. **Choose the correct or most appropriate option** and darken the corresponding circle against the question number in the OMR Answer Sheet, completely, as shown below, with HB pencil.

| Marking the Answers                                                                                                                                                  |                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Example :</b><br>For Question No. 12, if the candidate considers the correct answer to be C, he is to mark as shown below (Correct Method).<br>12 (A) (B) (C) (D) | <b>Not as shown below (Wrong method) :</b><br>12 (A) (B) (C) (D)<br>12 (A) (B) (C) (D)<br>12 (A) (B) (C) (D)<br>12 (A) (B) (C) (D)<br>12 (A) (B) (C) (D) |

4. Any answer to MCQ marked inside descriptive answer book will not be considered and no marks will be awarded.
5. If a candidate wants to change the option already darkened, he should erase it completely, with good quality eraser and ensure that no mark is visible after erasing.
6. No mark will be awarded if no circle is darkened or more than one circle is darkened for a particular MCQ. There is no negative marking for a wrong answer.
7. Rough work, if any, must be done on the pages, specified as SPACE FOR ROUGH WORK only and nowhere else in the question paper booklet or in the answer sheet.
8. Before commencement of the exam, please fill up the necessary information in the space provided below and also in the answer sheet.

Total No. of Printed Pages : 24

Maximum Marks : 100

Roll No.

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Question Paper  
Booklet Code

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|---|---|---|
| J | Y | K |
|---|---|---|

Name of the Candidate

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|--|

Signature of the Candidate



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**PART – I**

**30 Marks**

**(MCQ Portion)**

- *Answers to MCQs are to be marked on the OMR answer sheet as given on the cover page of the descriptive answer book only. Answer to MCQs, if written inside the descriptive answer book shall not be evaluated.*
- *Please write and darken correct MCQ booklet number in the OMR answer sheet. The correct MCQ booklet number must also be written in the attendance register.*

**Case Scenario – I :**

Graphite Core Industries established in 1995 is globally recognized for producing reliable, high quality wooden pencils. It begins its production process by sourcing raw graphite, clay, and cedar wood slats, holding them as raw materials.

The following are details about the manufacturing processes of the company :

- **Core Manufacturing Process** – In this process, the graphite and clay are mixed, extruded into rods and fired to create hardened pencil cores known as lead. Simultaneously, the cedar wood is cut into grooved slats. The output of this process i.e. lead and grooved slat is transferred to the Casing & Shaping Process at 30% profit on the transfer price.

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- **Casing & Shaping Process** – In this process, the leads are glued between the grooved slats, shaped into individual pencils and painted. The output of this process i.e. pencils, are then transferred to the Finished Stock at 10% profit on the transfer price. Stock in process is valued at prime cost.

The Production manager has provided the following information for the month of April 2026 :

| Particulars       | Core Manufacturing Process (₹) | Casing & Shaping Process (₹) |
|-------------------|--------------------------------|------------------------------|
| Direct Materials  | 4,90,000                       | 8,95,000                     |
| Direct Wages      | 3,60,000                       | 9,50,000                     |
| Direct Expenses   | 3,40,000                       | 3,80,000                     |
| Factory Overheads | 3,00,000                       | 5,00,000                     |

**Additional Information :**

| Particulars                | Opening Stock (₹) | Closing Stock (₹) |
|----------------------------|-------------------|-------------------|
| Core Manufacturing Process | 5,10,000          | 2,50,000          |
| Casing & Shaping Process   | 7,75,000          | 6,00,000          |
| Finished Stock of Pencils  | 14,00,000         | 10,00,000         |

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Finished stock is valued at the price at which it is received from the Casing & Shaping Process. During the month of April 2026, the company sold pencils worth ₹ 75,00,000. Inter process profits included in opening stock for Casing & Shaping Process and Finished Stock are ₹ 75,000 and ₹ 3,20,000 respectively.

On the basis of above case scenario for the month of April 2026, you are required to answer the following MCQs 1 to 5 :

1. What is the Profit of the Core Manufacturing Process ? 2  
  - (A) ₹ 7,50,000
  - (B) ₹ 5,25,000
  - (C) ₹ 6,00,000
  - (D) ₹ 6,75,000
  
2. What is the Prime Cost (including Inter Process Profit) of Casing & Shaping Process ? 2  
  - (A) ₹ 53,25,000
  - (B) ₹ 44,00,000
  - (C) ₹ 46,75,000
  - (D) ₹ 55,00,000

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3. What is the amount of profit included in the closing stock of Casing & Shaping Process ? 2
- (A) ₹ 84,000  
(B) ₹ 90,000  
(C) ₹ 87,000  
(D) ₹ 93,000
4. What is the transfer price of pencils (including inter process profit) transferred to Finished Stock account from the Casing & Shaping Process ? 2
- (A) ₹ 57,50,000  
(B) ₹ 62,00,000  
(C) ₹ 60,00,000  
(D) ₹ 64,00,000
5. What is the amount of total profit realized by Graphite Core Industries on sale of finished stock of pencils which is transferred to the Costing Profit and Loss Account ? 2
- (A) ₹ 25,40,000  
(B) ₹ 25,25,000  
(C) ₹ 25,17,500  
(D) ₹ 25,32,500

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**Case Scenario – II :**

Safety First Tyre Company is the manufacturer of 'Puncture Resistant' motorcycle tyres. In the manufacturing process, it undertakes three different jobs namely, Belting (B), Extrusion (E) and Vulcanizing (V). All the three jobs require the use of a special machine and also the use of Artificial Intelligence (AI) system when necessary. The AI system is hired from outside and the hire charges paid for every quarter is ₹ 4,08,000. An estimate of overhead expenses relating to the special machine is given below :

- The cost of the special machine is ₹ 66,00,000 and depreciation is charged @ 10% per annum on straight line basis.
- Rent paid for every six months is ₹ 1,38,000.
- Other indirect expenses per annum ₹ 4,92,000.

During the first month of operation, the following details are available from the job book of the company :

|                                                        | Jobs        |               |                 |
|--------------------------------------------------------|-------------|---------------|-----------------|
|                                                        | Belting (B) | Extrusion (E) | Vulcanizing (V) |
| Number of hours the special machine was used           |             |               |                 |
| Without the use of Artificial Intelligence (AI) system | 600         | 900           | —               |
| With the use of Artificial Intelligence (AI) system    | 450         | 550           | 1000            |

Any fraction in calculations may be rounded off up to two decimal places.

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On the basis of the above Case Scenario, you are required to answer the following MCQs 6 to 10 :

6. What is the amount of overheads per month for using the special machine without the aid of Artificial Intelligence (AI) system ? 2
- (A) ₹ 36,000  
(B) ₹ 44,000  
(C) ₹ 51,000  
(D) ₹ 58,000
7. What is the amount of overheads per month for using the special machine with the aid of Artificial Intelligence (AI) system ? 2
- (A) ₹ 1,82,000  
(B) ₹ 2,04,000  
(C) ₹ 1,95,714  
(D) ₹ 2,25,000
8. What is the machine hour rate for the company as a whole for a month when the Artificial Intelligence (AI) system was used ? 2
- (A) ₹ 102 per hour  
(B) ₹ 122.55 per hour  
(C) ₹ 130 per hour  
(D) ₹ 133.75 per hour

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9. What is the machine hour rate for the company as a whole for a month when the Artificial Intelligence (AI) was not used ? 2

(A) ₹ 41 per hour  
(B) ₹ 29.45 per hour  
(C) ₹ 38.25 per hour  
(D) ₹ 34 per hour

10. What is the machine hour rate for the month in respect of the individual jobs – Belting (B), Extrusion (E) and Vulcanizing (V) respectively ? 2

(A) ₹ 45.37 (B), ₹ 68.19 (E) and ₹ 98.95 (V) per hour  
(B) ₹ 63.14 (B), ₹ 59.79 (E) and ₹ 102 (V) per hour  
(C) ₹ 55.25 (B), ₹ 48.33 (E) and ₹ 105 (V) per hour  
(D) ₹ 49.41 (B), ₹ 78.54 (E) and ₹ 94.35 (V) per hour

11. The management of Gamma Limited has provided the following information for Product X :

|                                     |            |
|-------------------------------------|------------|
| Maximum Stock Level                 | 1125 units |
| Re-Ordering Level (ROL)             | 750 units  |
| Minimum rate of consumption per day | 25 units   |
| Minimum lead time                   | 5 days     |

What is the Re-Order Quantity (ROQ) ? 2

(A) 375 units  
(B) 450 units  
(C) 500 units  
(D) 600 units



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12. The following information pertains to a worker G :

|                    |                    |
|--------------------|--------------------|
| Basic Pay          | ₹ 25,000 per month |
| Dearness Allowance | ₹ 5,000 per month  |
| Other Allowances   | ₹ 2,000 per month  |

The number of working days in a year is 325 of 8 hours each. G has availed 25 days as holidays on full pay in a year.

What is the wage rate per hour of worker G ?

2

- (A) ₹ 160  
(B) ₹ 175  
(C) ₹ 140  
(D) ₹ 185

13. The following information pertains to Job Number 501 undertaken by PCM

Limited :

|                                 |                     |
|---------------------------------|---------------------|
| Direct Materials                | ₹ 60,000            |
| Direct Wages                    | ₹ 50,000            |
| Factory Overheads               | 60% of Direct Wages |
| Administrative Overheads        | 25% of Factory Cost |
| Profit percentage on total cost | 25%                 |

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What is the selling price of Job Number 501 ?

2

(A) ₹ 1,89,550

(B) ₹ 2,24,675

(C) ₹ 2,18,750

(D) ₹ 2,33,640

14. AMC Travels is running 4 luxury buses between two cities which are 60 kms. apart. The seating capacity of each bus is 50 passengers. The actual passengers carried were 70% of the seating capacity. All the four buses run for 30 days for the month. Each bus made one round trip per day. During the month of April 2026, AMC incurred total cost of ₹ 25,05,000.

What is the cost per passenger kilometer for the month of April 2026 ?

2

(A) ₹ 7.55

(B) ₹ 3.75

(C) ₹ 6.84

(D) ₹ 4.97



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15. The following information has been extracted from the records of XYZ Ltd.  
for two consecutive years :

| Particulars | Year 1      | Year 2      |
|-------------|-------------|-------------|
| Sales (₹)   | 1,80,00,000 | 2,40,00,000 |
| Profit (₹)  | 24,00,000   | 42,00,000   |

What is the Break-even Sales Value ?

2

- (A) ₹ 1,40,00,000  
(B) ₹ 1,00,00,000  
(C) ₹ 1,25,00,000  
(D) ₹ 90,00,000

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**PART – II**

**70 Marks**

**(Descriptive Portion)**

**(Candidates are required to give descriptive answers for this part inside the answer book)**

1. *Question paper comprises 6 questions. Answer Question No. 1 which is compulsory and any 4 out of the remaining 5 questions.*
2. *Working notes should form part of the answer.*
3. *Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.*
4. *Candidates are required to write the question number legibly.*

1. (a) XYZ Limited specializes in manufacture of high end office furniture. 5  
They use a batch costing system to track production costs. The company received an order for a special production run, Batch A – 01, consisting of 20 Ergonomic Executive Chairs. The estimated costs for this specific batch are as follows :

|                                    |                           |
|------------------------------------|---------------------------|
| Direct Material                    | ₹ 55,500                  |
| <u>Direct Labour :</u>             |                           |
| Cutting & Shaping                  | 300 hours @ ₹ 50 per hour |
| Polishing & Finishing              | 200 hours @ ₹ 40 per hour |
| <u>Factory Overheads :</u>         |                           |
| Cutting & Shaping                  | 300 hours @ ₹ 8 per hour  |
| Polishing & Finishing              | 200 hours @ ₹ 8 per hour  |
| Administrative & Selling Overheads | 20% of Works Cost         |
| Profit                             | 25% on Selling Price      |

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You are required to calculate :

(i) Total Cost of the Batch.

(ii) Selling Price per Chair.

- (b) EXA Ltd. operates a standard costing system for controlling its material costs and has furnished the following information for the month of April, 2026 : **5**

|                                                           |                      |
|-----------------------------------------------------------|----------------------|
| Standard Price of raw material                            | ₹ 30 per kg          |
| Standard Quantity of material required per unit of output | 5 kgs.               |
| Standard labour rate                                      | ₹ 50 per hour        |
| Standard labour requirement                               | 2.5 hours per unit   |
|                                                           |                      |
| Actual Output                                             | 2000 units           |
| Material Price Variance                                   | ₹ 1,75,000 (Adverse) |
| Actual Quantity of raw material purchased and consumed    | 14,000 kgs.          |
| Actual wages paid for 6,000 hours                         | ₹ 3,24,000           |

You are required to calculate :

(i) Actual price per kg of raw material

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- (ii) Material usage variance
- (iii) Material cost variance
- (iv) Labour rate variance
- (v) Labour efficiency variance

(Indicate the nature of variance Favourable (F) or Adverse (A)).

- (c) A manufacturing concern reported a net loss of ₹ 4,20,000 as per the Cost Accounts for the year ended 31<sup>st</sup> March, 2026. Upon scrutiny of both sets of accounts, the following differences were identified :

| Sr. No. | Particulars                                             | Amount (₹) |
|---------|---------------------------------------------------------|------------|
| (i)     | Profit on sale of investments (Financial Accounts only) | 55,000     |
| (ii)    | Factory overheads under-absorbed in Cost Accounts       | 70,000     |
| (iii)   | Discount allowed to customers (Financial Accounts only) | 30,000     |
| (iv)    | Depreciation overcharged in Cost Accounts               | 90,000     |
| (v)     | Selling overheads over-absorbed in Cost Accounts        | 65,000     |
| (vi)    | Bad debts written-off (Financial Accounts only)         | 1,10,000   |
| (vii)   | Over-valuation of closing stock in Cost Accounts        | 40,000     |

You are required to :

- (i) Prepare a Reconciliation Statement.
- (ii) Ascertain the net profit / (loss) as per the Financial Accounts.

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2. (a) The cost particulars of cotton yarn manufactured by a textile mill in April 7  
2026 are as follows :

|                                                 |                                                                                              |
|-------------------------------------------------|----------------------------------------------------------------------------------------------|
| Direct Material :                               | – Cotton Bales : 2,000 kgs @ ₹ 120 per kg<br>– Other materials : 600 kgs @ ₹ 85 per kg       |
| Direct Wages :                                  | – 75 skilled men @ ₹ 60 per day for 25 days<br>– 40 unskilled men @ ₹ 30 per day for 25 days |
| Direct Expenses :                               | Hire charges for Special equipment ₹ 9,000<br>Power and fuel ₹ 3,000                         |
| Works Overhead                                  | 160% of direct wages                                                                         |
| Administration overhead related with production | ₹ 45,000                                                                                     |
| Selling and distribution expenses               | ₹ 37,500                                                                                     |
| Selling Price per kg of cotton yarn             | ₹ 600                                                                                        |

Additional Information :

- 1,500 kgs. of Cotton yarn was produced.

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- Waste cotton and chemical scrap realised during the manufacturing process amounted to ₹ 23,500.
- There were no opening or closing stocks of raw materials and finished stock.

You are required to prepare a cost statement for the month of April 2026 showing :

- Prime Cost
- Net Works Cost
- Cost of Production
- Cost of Sales
- Total Profit & Sales

- (b) PQR Ltd is a manufacturing company that operates at 80% capacity, generating a profit of ₹ 7,50,000 by selling 36000 units. The cost details are as follows :

| Particulars                                                         | Amount<br>(in ₹) |
|---------------------------------------------------------------------|------------------|
| Material Cost per unit                                              | 25               |
| Labour Cost per unit                                                | 15               |
| Semi Variable Cost (Variable Component = ₹ 10 per unit)             | 8,20,000         |
| Contribution per unit                                               | 50               |
| Margin of Safety Sales at the current level of sales                | 15,00,000        |
| Fixed Cost upto 80% Capacity (Including depreciation of ₹ 1,90,000) | 5,90,000         |
| Additional Fixed Cost (Beyond 80% Capacity)                         | 1,50,000         |

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You are required to ascertain :

- (i) Break Even Point in units at current Capacity utilisation.
- (ii) Total Sales value and Cash Break Even Sales Quantity at current capacity utilization.
- (iii) Capacity utilisation & Margin of safety sales, if the company wants to earn a profit of ₹ 9,37,500. (Assume selling price per unit and variable cost per unit remain unchanged.)

3. (a) Apex Chemicals Ltd. processes a basic chemical raw material in Department I, which yields two joint products, A and B, at the split-off point in the ratio 60 : 40. The input-output ratio of Department I is 100 : 90.

Product A can either be sold at split-off or further processed in Department II to produce A-Prime. Department II is used exclusively for Product A, and its input-output ratio is 100 : 80.

**Production & Cost Data**

| Particulars                  | Department I                | Department II     |
|------------------------------|-----------------------------|-------------------|
| Raw Material Input           | 1,20,000 kg @<br>₹ 7 per kg | —                 |
| Conversion Costs :           |                             |                   |
| Other Direct Material        | ₹ 4,50,000                  | ₹ 1,00,000        |
| Direct Labour                | ₹ 4,00,000                  | ₹ 1,40,000        |
| Variable Overhead            | ₹ 6,00,000                  | ₹ 2,60,000        |
| Fixed Overhead               | ₹ 5,50,000                  | ₹ 40,000          |
| <b>Total Conversion Cost</b> | <b>₹ 20,00,000</b>          | <b>₹ 5,40,000</b> |

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**Other Data :**

| Product       | Selling Price<br>(₹ per kg) | Selling Expense<br>(₹) |
|---------------|-----------------------------|------------------------|
| A (split-off) | 45                          | 30,000                 |
| B             | 45                          | 26,000                 |
| A-Prime       | 75                          | 22,000                 |

**Required :**

- (i) Prepare a joint cost apportionment statement for Products A and B on the basis of sales value at split-off point.
  - (ii) Advise whether Product A should be sold at split-off or processed into A-Prime, showing incremental revenue, incremental cost, and profit.
- (b) Alpha Limited uses Standard Costing System for manufacturing its single product 'STAR'. The following data has been gathered from the cost records of the company to compute various fixed overhead variances for a specific period :

|                                           |            |
|-------------------------------------------|------------|
| Number of budgeted working days           | 25         |
| Budgeted man-hours per day                | 12,000     |
| Output (budgeted) per man-hour (in units) | 1          |
| Fixed overhead cost as budgeted           | ₹ 6,00,000 |
| Actual number of working days             | 28         |
| Actual man-hours per day                  | 12,500     |
| Actual output per man-hour (in units)     | 0.9        |
| Actual fixed overhead incurred            | ₹ 6,24,000 |



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You are required to ascertain the following :

- (i) Fixed Overhead Expenditure Variance
- (ii) Fixed Overhead Volume Variance
- (iii) Fixed Overhead Calendar Variance
- (iv) Fixed Overhead Cost Variance

(Indicate the nature of variance Favourable (F) or Adverse (A))

4. (a) ZED Ltd. manufactures two categories of products, Omega and Theta. 9  
These products are sold through two primary distribution channels, Online Portals and Retail Stores. In the current financial year, Omega performed exceptionally well online due to a viral trend, while Theta saw a surge in retail stores. The following information is available for the year 2025-26 :

| Product | Channel | Budgeted Sales | Actual Sales | Selling Price per unit<br>(For Budgeted and Actual Sales) |
|---------|---------|----------------|--------------|-----------------------------------------------------------|
| Omega   | Online  | 1000 units     | 1200 units   | ₹ 15,000                                                  |
|         | Retail  | 800 units      | 700 units    | ₹ 18,000                                                  |
| Theta   | Online  | 500 units      | 450 units    | ₹ 40,000                                                  |
|         | Retail  | 400 units      | 500 units    | ₹ 45,000                                                  |

Market research indicates that Omega series is facing stiff competition offline, therefore, management has decided to reduce the price by 10% across both channels. Theta series has gained luxury status, so the management has decided to increase the price by ₹ 5,000 per unit for both Online and Retail sales. Based on these price changes, the Sales Manager has submitted the following estimates of increase in sales for the year 2026-27 over the original budgeted sales :

| Product | Online Channel | Retail Channel |
|---------|----------------|----------------|
| Omega   | + 15%          | + 5%           |
| Theta   | + 10%          | + 20%          |

Furthermore, the company has signed a contract for an Influencer Marketing Campaign. It is estimated that for the year 2026-27 this campaign will generate the following additional sales :

| Product | Online Channel | Retail Channel |
|---------|----------------|----------------|
| Omega   | 200 units      | Nil            |
| Theta   | 100 units      | 50 units       |

You are required to prepare :

- (i) Sales Budget for 2026-27 after incorporating the above estimates.
  - (ii) Statement showing Budgeted and Actual Sales for 2025-26.
- (b) The labour turnover rates for the quarter ended 31<sup>st</sup> March, 2026 are computed as 12%, 6% and 4% under Flux method, Replacement method and Separation method respectively. The number of workers replaced during that quarter is 54. 5

You are required to ascertain –

- (i) Average number of workers on roll for the quarter
- (ii) Number of workers recruited and joined
- (iii) Number of workers left and discharged

5. (a) XYZ Private Limited manufactures two products, Mini and Maxi, 10 utilising the same production methods. The company operates under the Absorption Costing System. The details of the products for financial year 2025-26 are provided below :

| Particulars                                 | Products   |             |
|---------------------------------------------|------------|-------------|
|                                             | Mini       | Maxi        |
| Number of units produced                    | 8000 units | 10000 units |
| Number of units sold                        | 6400 units | 8000 units  |
| Direct Material Cost per unit               | ₹ 250      | ₹ 400       |
| Direct Labour Hours per unit                | 4 Hours    | 5 Hours     |
| Selling price per unit sold during the year | ₹ 950      | ₹ 1180      |

Using the traditional method, all the Production overheads were of ₹ 54,00,000, which were directly distributed on the basis of units produced. Direct labour hour rate is ₹ 50 per hour.

Further, the Board of Directors is considering transitioning to an Activity – Based Costing (ABC) system to determine the production overheads.

The total production overheads are analyzed into the following :

| Particulars           | Amount (₹)       |
|-----------------------|------------------|
| Set-up costs          | 9,00,000         |
| Machine Running costs | 18,00,000        |
| Inspection costs      | 27,00,000        |
| <b>Total</b>          | <b>54,00,000</b> |

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The following data on cost drivers was provided by the production manager relating to the bifurcation of production overheads :

| Particulars            | Mini | Maxi  |
|------------------------|------|-------|
| Number of Setups       | 100  | 200   |
| Number of Machine Runs | 750  | 1,050 |
| Number of Inspections  | 60   | 210   |

You are required to calculate :

- (i) Total Sales and Total Profit earned for each product as per Absorption Costing System.
  - (ii) Total Sales and Total Profit earned for each product as per Activity – Based Costing System.
- (b) The following information has been furnished by the management accountant of CMC Limited : 4

|                  |             |
|------------------|-------------|
| Margin of Safety | 5600 units  |
| Break even sales | 2400 units  |
| Margin of Safety | ₹ 9,80,000  |
| Total Cost       | ₹ 11,94,200 |

You are required to calculate :

- (i) Profit
- (ii) Profit Volume (P/V) Ratio
- (iii) Break even sales value
- (iv) Fixed Cost



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6. (a) Which system of inventory management is known as 'Demand Pull' or 'Pull through' system of production ? Explain. Also, specify the two principles on which this system is based. 5
- (b) Distinguish between cost control and cost reduction. 5
- (c) A factory employing 3000 workers faces issues of proxy attendance and payroll errors under the manual system. The Plant Head has recommended using an automated method, the Bio-Metric Attendance system. Discuss briefly the features of this Bio-Metric Attendance System. 4

OR

- (c) Explain the meaning of spoiled work and defective work. Discuss the treatment of defective work under the following circumstances : 4
- (i) Where a percentage of defective work is allowed in a particular batch, as it cannot be avoided.
- (ii) Where the defect is due to bad workmanship.
- (iii) Where the defect is due to the Inspection Department wrongly accepting incoming material of poor quality.
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SPACE FOR ROUGH WORK

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