

**Note : (1) Attempt any four questions.**  
**(2) All questions carry 25 marks.**

**Q. 1            A productive unit provide you following data. (25)**

Cost of production per unit.

Direct Material - 30

Direct Wages - 20

Variable overheads - 50

Selling price per unit - Rs. 200

Fixed overhead Rs. 200000.

Calculate :1: BEP (Units & sales value)

:2: P.V.R.

:3: Sales required to earn profit of Rs. 100000

:4: Profit or loss at sales of Rs. 25,00,000.

:5: Profit or loss at sales of Rs. 2,50,000.

:6: Find out BEP if fixed overheads are worth Rs. 300000.

**Q. 2            Standard material cost for 100 kg of product x are as under - (25)**

A. 80 kg @ Rs. 10 per kg

B. 70 kg @ Rs. 20 per kg

Actual data for production of 500 kg are as under

A. 450 kg @ Rs. 12 per kg.

B. 450 kg @ Rs. 25 per kg.

Calculate - (1) Material cost variance.

(2) Material price variance.

(3) Material usage variance.

(4) Material mix variance.

**Q. 3 a) Explain briefly : (15)**

Various types of responsibility centre.

**b) Explain any two method of accounting of changing. (10)**

**Q. 4            The project listed below are to be ranked in order to (25)**

(1) pay back period

(2) Net present value @ 10%.

Project	Project	NET CASH FLOW		
	Cost	Year 01	02	03
A	80000	40000	40000	40000
B	80000	60000	40000	20000
C	80000	20000	40000	60000
D	80000	30000	100000	—
Present Value @ 10%	80000	.909	.826	.751

(P.T.O)

Q. 5 a) Due to industrial depression a plant is running at 50% of its capacity. The following data (15)  
are available.

Direct material - Per unit Rs. 06

Direct wages - Per unit Rs. 04

Variable overheads - Per unit Rs. 05

Fixed overheads - Per unit Rs. 05

Production 10000 units

Selling price per unit Rs. 18.

An exportes often to buy 10000 units at the sale of Rs. 17 per unit and management  
hesitates to accept the offer for fear of increasing its already lossess.

You are required to advise whether the company should accept or decline? Why?

b) Write a note on inflation accounting. (10)

---