

2316

175

Class-B.Com Prof. (Sem. IV)

Subject –Cost Control Management

PAPER- BCP - 402

Time Allowed : 3 Hrs

Maximum Marks :50

Note :- Attempt any 10 questions in Section A, each carries 1 mark, any 2 questions in Section B and Section C, each carry 10 marks.

Section-A

1. (a) Budgetary Control.
- (b) Standard Cost Vs. Estimated Cost.
- (c) Labour Mix Variance.
- (d) Cash Budget.
- (e) Strategic Cost Management
- (f) Cost Centre.
- (g) ROI.
- (h) Cost Reduction.
- (i) Cost Drivers.
- (j) Concept of ABC.
- (k) Target costing.
- (l) JIT.

Section-B

2. Define cost control. Explain its various Techniques .

3. One kilogram of Product Z requires two chemical A and B. Following were the details of product Z for month of July, 2014 :

- (a) Standard mix of chemical A 50% and chemical B 50%.
- (b) Standard Price per kg of chemical A ₹12 and chemical B ₹15.
- (c) Actual Input of chemical B 70 kgs.
- (d) Actual Price per kg of chemical A ₹15.
- (e) Standard normal loss 10% of total input.
- (f) Material cost variance total ₹ 650 (A).
- (g) Material yield variance ₹135 (A).

Calculate all material variance after finding out actual loss of actual input, Actual input of A and actual price per kg of B.

Assume actual output is 90 kgs.

4. From the following information regarding year, 2013 and conditions expected to prevail in 2014 Prepare a budget for 2014. Assume rate of depreciation as 10%

2013 Actual :	₹
Sales	100, 000 (40,000 units)
Raw material	53,000
Wages	11,000
Variable overhead	16,000
Fixed overhead	10,000

2014 Prospects :	₹
Sales	150,000 (60, 000 units)
Raw material	5% Increase
Wages	10% increase in wage rate
	5% increase in productivity
Additional Plant	One lathe ₹25,000
	One drill ₹12,000

5. What is meant by Zero Base Budgeting? What are essentials of introducing Zero Base Budgeting? Explain in brief about drawbacks of this system.

2×10=20

Section-C

6. What are the main steps in application of Life Cycle Costing Model?
7. What is the need of Transfer Pricing? Discuss various methods of Transfer Pricing?
8. Explain –
- (a) Balanced Score Card
 - (b) Value Analysis
9. ABC Ltd. has three divisions. It is considering to make additional investment in one of these divisions. The relevant information is given below :-

	Divisions		
	A	B	C
	₹	₹	₹
Additional Investment	20,00,000	20,00,000	20,00,000
Net Profit on Additional investment	280,000	260,000	340,000
Current ROI	15%	16%	14%

The cost of capital is 12% In which division investment should be made? 2×10=20
