



COST MANAGEMENT
VI SEMESTER B.COM

Assignment question

Answer the following questions

1. Assuming the cost structure and selling prices remain are sales one or two find out.

Variable cost period two-

	Sales	profit
I	720000	54000
II	840000	78000

Calculate:

- P/V ratio
- Fixed cost
- Breakeven point for sales
- Profit when sales are Rs. 300000
- Sales require profit or loss of Rs. 100000
- Margin of safety as a profit 40000

2. For making 10 kg of X, the standard material requirement is:

Material	Quantity (kg)	Rate per kg (Rs)
A	8	6
B	4	4

During April, 1000 kg of X were produced. The actual consumption of materials is as under

Material	Quantity (kg)	Rate per kg (Rs)
A	750	7
B	500	5

Calculate MCV, MPV, and MUV

3. Soundarya ltd wants you to prepare the cash budget of the company for 3 months from April to June 2020. You are given the following information.

Month	Credit sales (amount)	Credit purchase (amount)	Wages (amount)	Selling expenses (amount)	Overhead (amount)
January	80000	65000	12000	6000	8000
February	165000	72000	17000	6500	10500
March	209000	200000	40000	10500	13000
April	345000	220000	48000	18500	13500
May	148000	80000	25000	5900	10400
June	112000	78000	34000	7000	10000

Additional information:

- Periods of credit allowed to debtors 1 months.

2. Period allowed by creditors 2 month

3. Lag in payment of wages, selling expenses and overhead one month.

4. Expected cash sales Rs. 17000 P.M

4.A company manufactures two products, A and B using common facilities. The following cost data For a month are presented to you.

	X	Y
Units produced	6000	7000
Direct labour hours per unit	4.5	3.3
Machine hours per unit	9	3.5
Set up of machine	30	75
Orders	38	90
Machine activity expenses	Rs.785000	
Set up related expenses		Rs. 90000
Expenses relating to orders	Rs. 75000	

Calculate the overheads per unit absorbed using activity based costing approach.

5.From the following information given below prepare budget at 60% and 80% capacity.

Particulars	60%	75%	80%
Variable overhead:			
Indirect material	--	7500	--
Indirect labour	--	22500	--
Semi variable overhead:			
Electricity(40% fixed)	--	37500	--
Repairs and maintenance (80% fixed)	--	3750	--
Fixed overhead:			
Salaries	--	100000	--
Insurance	--	5000	--
Depreciation	--	25000	--

The direct wages at 75% working amounts to Rs. 40250

Calculate the total overhead rates as a percentage on direct wages at these capacities.



