

SCHEME FOR EVALUATION

PART - A

- 1) Real & presumed reduction in the unit cost of goods.
- 2) setting up of standards - recording of actual performance - comparison of standards with actual performance to arrive at deviation/variance - analysis variance - corrective action.
- 3) value of abnormal loss = $\frac{\text{normal cost of normal output}}{\text{normal output}} \times \text{costs of abnormal loss}$
- 4) ABC: ascending methodology that assigns costs to activities rather than products & services
- 5) P/V ratio = $\frac{\text{contribution}}{\text{sales}} \times 100$
- 6) limiting factor - limit on production or sales
- 7) $RSQ = \frac{\text{total weight of actual mix}}{\text{total cost of std mix}} \times \text{std qty of each material}$
- 8) Difference between std cost & actual cost - variance can be F or A.
- 9) DTR = $\frac{\text{credit sales}}{\text{Avg Accnts receivable}}$
- 10) ROI = $\frac{\text{operating profit}}{\text{capital employed}} \times 100$
- 11) Cash proceeds from issuing shares/differential/cash payment to vendors - share payment of dividend.
- 12) NWC = CA - CL

PART - B

- 13) Material control - Labour control - off control - Budgetary control - std costing - Marginal costing - Activity analysis

Process A cost		Process B cost	
10 mats @ 45,000	1,22,000	10 mats @ 15,000	1,17,000
10 labour @ 60,000	1,22,000	10 labour @ 25,000	1,17,000
10 chyeen/ed @ 5,000	1,22,000	10 chyeen/ed @ 10,000	1,17,000
10 off (12000/5) @ 2,000	1,22,000	10 off (17000/5) @ 3,000	1,17,000
<u>1,22,000</u>	<u>1,22,000</u>	<u>1,17,000</u>	<u>1,17,000</u>

5) P/v ratio - 25% - BEP - 107000 (FC - 1017500)
 Required sales - 10230000 profit - 1045000
 VC for 2017 - 1,12,500 VC for 2018 - 1,27,500

16) MMX - A(F) / B - 1(F) / C - 6(A) ⇒ 104(A)
 MPV - A - 5(F) / B - 0 / C - 3(F) ⇒ 102(A)
 MUV - A - 2(F) / B - 2(F) / C - 4(A) ⇒ 0

17) Profit - 10300 / P/v ratio - 50% / BEP ⇒ 10900 / Profit = 103000
 MOS - 106000

18) Cash flow from operating activities - (3400)
 Cash flow from Investing activities - (4200)
 Cash flow from Financing activities - 100,000
 Cash & cash equivalents at the end of the year - 94,000

19) Cost control - eliminating waste - Norms - location of efficiency - frequency -
 NBE - Input in terms of operator - Guide for production & pricing policy -
 Budgeting - Cost awareness - Inventory valuation - Pay of rentability
 PART - C

20) Features of a good Cost system - objectives, organization, structure / type
 & method of Cost / Cost records & basis / technical aspects / Control system /
 technical aspects, nature of product & process, collecting data, quality
 of staff / organization of Cost office, reliability of Cost office & standards

21) Standard quantity equivalent units = 2,250
 Standard Cost - Material 10 / Labour 103 / OH 10
 Standard Cost - 1031500 Cost per equivalent unit 14
 Standard quantity equivalent units → 2000 units at 14 = 28000
 Standard Cost → material - 2500 / Labour 750 / OH - 2500 → 3500
 28000 + 3500 → 31500

	From Record			From Record	
	units	Rs		units	Rs
Material	2500	2500	By Finished Goods	2000	28000
Labour		6750	By WIP	500	3500
OH		2250			
	2500	31500		2500	31500

22) asked re - \$5. The copy should come to make the part of the main and is to 5.60. Many could in savings of to 0.60 (560 - 5) per unit. The copy should pay the part from the market and stop it's production. The key decision would in savings of to 0.4 (5 - 4.6) per unit.

23) LEV → Dept A - 0 / Dept B - \$5,000 (P) → \$200 (P)
 LEV → Dept A - \$16,000 (P) / Dept B - \$2,000 (A) - \$4,000 (P)
 LEV → Dept A - \$16,000 (A) / Dept B - \$10,000 (P) - \$6,000 (A)

24) WC → 21 - \$81,000 22 - \$1,08,000

Increase in WC → \$27,000

Total Sale of funds - \$85,000

Total Applied of funds - \$58,000

Increase in WC → \$27,000

Additional part of c
 - PB - \$62,000

25) CA - \$500,000, CL - \$2,00,000
 stock - \$2,00,000, CGS - \$12,00,000, Ret - \$15,00,000
 Avg. taxable - \$1,250,000 / one liquid asset - 50,000
 PA - \$12,00,000 / Capital - \$10,00,000 Net - \$5,00,000

	B/S		Assets	
	Rs	P	Rs	P
Capital	10,00,000		Fixed Asset	12,00,000
Dividend	5,00,000	15,00,000	CA	
Net worth		2,00,000	c/s	2,00,000
Current Capital			Debit	2,50,000
		17,00,000	Net Liquid assets	50,000
				17,00,000