



**K25P 1924**

**Reg. No. : .....**

**Name : .....**

**II Semester M.Com. Degree (C.B.C.S.S. – O.B.E. – Reg./Supple./Imp.)**

**Examination, April 2025**

**(2023 and 2024 Admissions)**

**CMCOM 02C07 : ADVANCED COST AND MANAGEMENT ACCOUNTING**

**Time : 3 Hours**

**Max. Marks : 60**

**SECTION – A**

Answer **any five** questions in this Section. **Each** question carries **3** marks.

1. Define “Responsibility Accounting” and state its advantages.
2. Distinguish the terms “Abnormal Wastage” and “Abnormal Gain”.
3. Discuss the meaning of “Equivalent Production” in Process Account.
4. Explain the term “Absorption Costing”. How does it differ from “Marginal Costing” ?
5. List out the various assumptions of “Break Even Analysis”.
6. Discuss the significance of “Zero Based Budgeting (ZBB)” in Business. **(5×3=15)**

**SECTION – B**

Answer **any three** questions in this Section. **Each** question carries **5** marks.

7. The following relate to concern for the successive periods :

<b>Year</b>	<b>Sales (₹)</b>	<b>Profit (₹)</b>
2014	2,00,000	60,000
2015	3,00,000	1,10,000

Calculate (1) P/V Ratio (2) Fixed Cost (3) BEP Sales (4) Profit a sale of ₹ 4,00,000  
(5) Sales to earn a profit of ₹ 1,20,000.

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8. Product A required 10 kg of material at a rate of 4 per kg. The actual consumption of material for the manufacturing product A comes to 12 kg of material at the rate of 4.50 per kg.

**Calculate :**

- a) Material Cost Variance
- b) Material Usage Variance
- c) Material Price Variance.

9. The sales turnover and profit during two periods were as follows :

Period	Sales (₹)	Profit (₹)
1	2,00,000	20,000
2	3,00,000	40,000

- a) What would be the probable trading results with sales of ₹ 1,80,000 ?
  - b) What amount of sales will yield a profit of ₹ 50,000 ?
10. Explain the various steps involved in the Budgetary control.
11. What is Break Even Chart ? And explain how to prepare Break Even Chart.  
(3×5=15)

### SECTION – C

Answer **any three** questions in this Section. **Each** question carries **10** marks.

- 12. “Marginal Costing adds value to business decision making”. Evaluate its applications in detail.
- 13. Elucidate the meaning and different types of Analysis of variance used in Management accounting.



14. Define Budget and also explain the different types of budgets in the business.
15. For production of 10,000 units the following are budgeted expenses.

	Per unit
Direct materials	48
Direct labour	24
Variable overheads	20
Fixed overheads (1,20,000)	12
Variable expenses (Direct)	4
Selling expenses (10% fixed)	12
Administration expenses (40,000 fixed)	4
Distribution expenses (20% fixed)	4
<b>Total</b>	<b>128</b>

Prepare a budget for production of 7,000 units and 9,000 units.

16. For producing one unit of a product, the materials standard is :

Material X : 6 kg. @ 8 per kg. and

Material Y : 4 kg. @ 10 per kg.

In a week, 1,000 units were produced the actual consumption of materials was

Material X : 5,900 kg. @ 9 kg. and

Material Y : 4,800 kg. @ 9.50 per kg.

Compute the various material variances.

(3×10=30)