

PART - I

1. Opening stock of material Z was ₹ 1,38,000. Material worth ₹ 4,66,000 was purchased during the year and the closing stock at the end of the year was ₹ 74,000.

(Assume 360 days in a year)

Calculate the number of days for which the average inventory is held.

- (A) 48 days (B) 72 days  
(C) 50 days (D) 82 days
2. During the current year, Profit Volume Ratio of CED company is 25% and its Break even sales are ₹ 48,00,000. Margin of safety is 40%. It is expected that present fixed cost will increase by 10% during the next year, but selling price and variable cost per unit will remain same. What will be the profit for the next year if present sale volume is expected to increase by 15% ?
- (A) ₹ 11,00,000 (B) ₹ 8,00,000  
(C) ₹ 9,80,000 (D) ₹ 6,80,000

3. The following information was obtained from the records of a manufacturing unit using standard costing system :

	Standard	Actual
Production	8,000 units	7,750 units
Machine hours	16,000 hours	15,800 hours
Fixed overheads	₹ 8,40,000	₹ 7,84,000

What is the fixed overhead efficiency variance ?

- (A) ₹ 10,500 (F) (B) ₹ 15,750 (A)  
(C) ₹ 29,750 (A) (D) ₹ 26,250 (F)

4. A worker is allowed 8 hours to complete the job on a guaranteed time plan. Under the Rowan Plan, he gets an effective hourly wage of ₹ 75 per hour. For the same saving in time, how much he will get under the Halsey Plan ?
- (A) ₹ 420 (B) ₹ 480  
(C) ₹ 460 (D) ₹ 430

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5. ABC Transport Company is running 8 buses between two towns which are 40 kms apart. Seating capacity of each bus is 60 passengers. Actual passengers carried were 75% of the seating capacity. Each bus made three round trips per day and operates 26 days in a month. Total cost incurred for the month of June 2023 was ₹ 15,72,480.

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What is the cost per passenger kilometer ?

- (A) ₹ 0.52 per passenger km (B) ₹ 1.40 per passenger km  
(C) ₹ 1.00 per passenger km (D) ₹ 0.70 per passenger km

#### Case Scenario – I

XYZ Manufacturing Company produces a product called 'MizBon' which requires a combination of two raw materials, Material 'M' and Material 'B', for its production. Standard requirement per unit of 'MizBon' is 2.5 Kg. of raw material 'M' and 1 Kg. of raw material 'B' and is strictly followed. The following information was available for the month of March 2024 :

- 5,000 Kg. of raw material 'M' was purchased at ₹ 8,50,000 from GST registered supplier on which GST @ 5% to the tune of ₹ 42,500 was paid (eligible for input tax credit). Rebate of ₹ 10,000 was allowed by supplier on purchase of raw material 'M'.
- 2,000 Kg. of raw material 'B' was purchased from supplier not registered in GST at ₹ 90,000.
- Freight paid on purchase of raw materials was ₹ 14,000.



Other data collected for the month of March 2024 was :

Particulars	Amount (₹)
Wages paid to production workers	4,80,000
Contribution made towards workers PF & ESI	59,000
Primary packing cost necessary to maintain quality	14,000
Amount paid as fine & penalty	10,000
Research & Development cost paid for improvement in production process	37,500
Interest and finance charges for usage of non-equity fund	18,000
Expenses paid for pollution control, engineering & maintenance	12,000
Salary paid to Factory supervisors	40,000
Cost of special moulds and patterns	4,000
Lease rent of machinery and equipment	1,08,000
Administrative expenses (General) - excluding rent	21,840

**Additional information :**

- The Company pays ₹ 1,00,000 per month as rent for 2,000 square feet of factory premises. Administrative and sales office occupies 200 square feet and 180 square feet respectively of factory space.
- There were no opening and closing stock of input materials and no wastage during the production process. Stock of finished goods at the end of the month was 80 units. Actual output was 2,000 units.
- Selling & distribution expenses (excluding sales office rent) were incurred @ ₹ 8 per unit sold.
- During the month of March 2024, company paid instalment of advance income tax of ₹ 50,000.
- The company's expected profit for the month of March 2024 is ₹ 1,00,000.

On the basis of above Case Scenario, you are required to answer the following questions 6 to 10 : (5 × 2 = 10)

6. What is Factory cost ?  
 (A) ₹ 17,28,000  
 (B) ₹ 17,16,000  
 (C) ₹ 17,42,000  
 (D) ₹ 17,38,000
7. What is the cost of goods sold ?  
 (A) ₹ 17,07,920  
 (B) ₹ 17,08,990  
 (C) ₹ 17,08,320  
 (D) ₹ 17,06,160
8. What is sales value ?  
 (A) ₹ 17,82,520  
 (B) ₹ 18,82,520  
 (C) ₹ 18,32,520  
 (D) ₹ 19,18,520
9. What is cost of raw material consumed ?  
 (A) ₹ 9,86,500  
 (B) ₹ 9,44,000  
 (C) ₹ 9,30,000  
 (D) ₹ 9,54,000
10. What is Prime cost ?  
 (A) ₹ 14,28,000  
 (B) ₹ 15,31,000  
 (C) ₹ 14,70,500  
 (D) ₹ 14,87,000

### Case Scenario – II

AR Limited produces a product "TYN" which is sold at ₹ 1,010 per unit. The standard cost for one unit of "TYN" is as under :

	Unit cost (₹)
Direct material A 10 kg. @ ₹ 20 per Kg	200
Direct material B 10 kg. @ ₹ 10 per Kg	100
Direct labour 6 hours @ ₹ 50 per hour	300
Variable Overhead 6 hours @ ₹ 10 per hour	60
<b>Total Variable cost</b>	<b>660</b>

... budgeted output & sale for the quarter of a year was 1,000 units. Fixed overheads  
 e produced & sold. Details of actual cost are under :

Direct material A	9,400 kg. @ ₹ 22 per Kg
Direct material B	8,900 kg. @ ₹ 9 per Kg
Direct labour	5,550 hours @ ₹ 52 per hour

Variable overheads & Fixed overheads incurred during the quarter were ₹ 54,500 &  
 ₹ 1,55,000 respectively.

On the basis of above Case Scenario, you are required to answer the following  
 questions 11 to 15 : (5 × 2 = 10)

11. What is the Labour Efficiency Variance (LEV) and Fixed Overhead Volume  
 Variance (FOVV) ?  
 (A) LEV ₹ 7,500 (A), FOVV ₹ 14,000 (A)  
 (B) LEV ₹ 7,500 (F), FOVV ₹ 14,000 (F)  
 (C) LEV ₹ 7,500 (F), FOVV ₹ 14,000 (A)  
 (D) LEV ₹ 7,500 (A), FOVV ₹ 14,000 (F)
  
12. What is the Budgeted Margin of Safety in units ?  
 (A) 400 Units (B) 500 Units  
 (C) 600 Units (D) 100 Units
  
13. What is the Actual Margin of Safety in units ?  
 (A) 400 Units (B) 500 Units  
 (C) 600 Units (D) 100 Units
  
14. What is the Material Mix variance ?  
 (A) ₹ 5,000 (A) (B) ₹ 5,000 (F)  
 (C) ₹ 2,500 (F) (D) ₹ 2,500 (A)
  
15. What is the Material Usage Variance ?  
 (A) ₹ 9,000 (F) (B) ₹ 7,000 (A)  
 (C) ₹ 7,000 (F) (D) ₹ 9,000 (A)