Diploma in Accounts and Auditing (NEP Pattern) 1 year

CAFM03 - Paper-II : Cost Accounting and Financial Management

P. Pages : 2 **GUG/W/23/15277**

Time : Three Hours * 8 2 6 0 * Max. Marks : 80

Notes : 1. All questions are compulsory.
2. All questions carry equal marks.

1. a) Define Management Accounting and explain its objectives. **8**

b) Discuss the relation between management accounting and cost accounting. **8**

OR

c) Find out from the following: **16**

i) B. E. P and P/V Ratio.

ii) Net Profit from the sales of Rs. 3,00,000.

iii) Margin of safety from the sales of Rs. 3,00,000.

iv) Required sales for the Net profit of Rs. 70,000.

v) Additional sales required to cover an increase of Rs. 3000 P.A. in the sales Manager salary.

Position of M/S Rashi and Company for the year

Sales	Rs. 2,00,000
Less variable overheads	Rs. 1,50,000
Contribution	Rs. 50,000
Less fixed cost	Rs. 15,000
Net Profit	Rs. 35,000

2. a) What is transfer pricing. Discuss the methods of transfer pricing. **8**

b) Given: **8**
BEP=Rs 15,000.
Fixed Cost = Rs. 6,000
Find out profit when sales is Rs. 20,000.

OR

c) What is standard costing? Discuss its advantages and disadvantages. **16**

3. a) What is variance analysis? Discuss its type in details. **8**

b) What standard costing? Explain merits and demerits of standard costing. **8**

OR

c) Prepare flexible Budget for the period ended on 31st Dec. 2023. **16**

Particular	Rs.
Fixed Expenses Management	2,10,000
Rent taxes	1,40,000
Depreciation on machine	1,75,000
Sundry office	2,22,500
Semi variable expense (at 50% capacity)	**7,47,500**
Plant and Repairs	62,500
Indirect Labour	2,47,500
Sale man salary	72,500
Sundry Expanses	65,000
	4,47,500
Variable expense (At 50% Capacity)	
Materials	6,00,000
Labours	6,40,000
Salesman Commission	95,000
	13,35,000

Sales at 60%	Rs. 25,50,000
At 80%	Rs. 34,00,000
At 100%	Rs. 42,50,000

Assuming that fixed cost remains constant, variable cost changes proportionately. Semi-variable expenses remain constant between 40% to 70% capacity, increase 10% of the above figures between 70% to 85% capacity and increase by 15% of the above figures between 85% to 100% capacity.

4. a) What is financial Management? Its nature and scope. **8**

b) What is ratio analysis? Explain how the ratio analysis helps in decision making. **8**

OR

c) Calculate: **16**
i) Gross Profit ratio
ii) Net profit ratio
iii) Operating profit ratio
iv) Cost of goods sold ratio from the following
Sales Rs. 5,00,000, cost of goods sold Rs. 2,80,000 Operating Expenses Rs. 50,000. Interest Rs. 30,000 Tax Rs. 40,000.

5. Write short note:
a) Cost Accounting. **4**
b) Master Budgeting. **4**
c) Sales variance **4**
d) Working capital. **4**

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