

Roll No.

Total No. of Pages : 02

Total No. of Questions : 07

B.Com (2013 to 2017 Batch) (Sem.-5)

COST ACCOUNTING-II

Subject Code : BCOP-501

M.Code : 70421

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B contains SIX questions carrying TEN marks each and a student has to attempt any FOUR questions.

SECTION-A

Q.1 Answer briefly :

- a) What do you mean by Cost Accounting Record Rules?
- b) Explain the term Target costing.
- c) What are the benefits of cost audit?
- d) Explain the meaning of cost of quality.
- e) What are the main objectives of Kaizen Costing?
- f) What do you mean by Process under total quality management?
- g) Distinguish between cost reduction and Control.
- h) Explain the concept of life cycle costing.
- i) What do you understand by continuous improvement?
- j) What is value analysis?

SECTION-B

- Q.2 ABC Co. specializes in the manufacture of solar panels. It is planning to introduce a new slimline solar panel specially designed for small houses. Development of the new panel is to begin shortly and Solaris is in the process of determining the price of the panel. It expects the new product to have the following costs.

	Year 1	Year 2	Year 3	Year 4
Units manufactured and sold	2,000	15,000	20,000	5,000
	Rs.	Rs.	Rs.	Rs.
R&D costs	1,900,000	100,000		
Marketing costs	100,000	75,000	50,000	10,000
Production cost per unit	500	450	400	450
Customer service costs per unit	50	40	40	40
Disposal of specialist equipment				300,000

The Marketing Director believes that customers will be prepared to pay Rs. 500 for a solar panel but the Financial Director believes this will not cover all of the costs throughout the lifecycle.

Required :

Calculate the cost per unit looking at the whole life cycle and comment on the suggested price.

- Q.3 Describe three different version of blackflush costing.
- Q.4 What do you understand by balance scorecard ethics? What are the important pitfalls to avoid when implementing balance scorecard?
- Q.5 What do you mean by Value Analysis in cost reduction programme? What are the major areas in which cost reduction is usually possible?
- Q.6 Explain the implications of using life cycle costing especially in assisting management with decisions.
- Q.7 What is the objective of Cost Accounting Standard on Cost of production for Captive Consumption (CAS -4)? Whether the Cost of Production of captively consumed goods is to be calculated as per CAS 1, CAS 2, CAS 3 and CAS 4 issued by the Institute?

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.