

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

**SCHOOL OF MANAGEMENT
MID TERM EXAMINATION - NOV 2023**

Semester : Semester III - 2022

Course Code : MBA3031

Course Name : Sem III - MBA3031 - Cost and Revenue Management

Program : MBA

Date : 7-NOV-2023

Time : 2:00PM - 3:30PM

Max Marks : 50

Weightage : 25%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

PART A

ANSWER ALL THE QUESTIONS

(5 X 2 = 10M)

1. 1. Zodiac Ltd is manufacturing leather bags and is interested in classification of direct and indirect materials used. Bring out the differences between direct and indirect materials
(CO1) [Knowledge]
2. 3 Describe sunk cost with examples.
(CO1) [Knowledge]
3. The sum of all indirect expenses is known as Overheads State the different overheads
(CO1) [Knowledge]
4. Identify the unique features of process costing system
(CO2) [Knowledge]
5. State the various classification of overheads.
(CO2) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS

(3 X 6 = 18M)

6. A Manufacturing Co. produces 15,000 units of product named 'AB' in the month of October 2023. From the following, prepare a cost sheet showing cost per unit.

Opening stock of Raw materials	25000
Purchase of Raw materials	2,70,500
Closing stock of raw materials	50,000
Direct wages	1,20,500
Factory overhead	80,000
Administration overhead	25,000

(CO1) [Comprehension]

7. Explain Fixed cost ,variable cost and semi-variable cost.
8. A product requires three distinct processes. On completion of the product is passed from Process 3 to finished stock. During the month of August 2023, the following information was obtained:

Particulars	Process I	Process II	Process III
Direct Materials	15,000	11,000	-
Direct Labour	12,500	6,000	8,000
Direct Expenses	3,000	4,000	5,000

The total production overhead is 79,500. The production overhead is absorbed by processes at a percentage of direct wages. Production during the period was 1000 kgs. Prepare process accounts

(CO2) [Comprehension]

PART C**ANSWER THE FOLLOWING QUESTION****(2 X 11 = 22M)**

9. The following information have been obtained from the records of Govind company for the year 2023.

Particulars	Amt
Cost of materials	4,80,000
Wages	4,00,000
Factory overheads	2,40,000
Distribution expenses	1,12,000
Aministration expenses	2,68,800
Selling expenses	1,79,200
sales	20,16,000

A work order has been executed in 2024 and the expenses have been incurred – cost of materials 64,000 and wages Rs.40,000.

Assuming that in 2024, the rate of factory overhead is based on wages and all other overheads on the basis of works cost. At what price should the product should be quoted so as to earn the same rate (earlier) of profit on the selling price? Show full workings.

(CO1) [Application]

10. A product passes through two distinct Processes C and D and then to finished stock.. From the following information you are required to prepare process accounts with details of abnormal loss and abnormal gain.

Details	Process C	Process D
Materials consumed	12,000	6,000
Direct Labour	14,000	8,000
Manufacturing expenses	4,000	4,000
Input to process C (Units)	10,000	
Input to process C(Value)	10,000	
Output (Units)	9,400	8,300
Normal Loss (% of input)	5%	10%
Value of Normal Loss (per 100 units)	8	10

(CO2) [Application]