

Full Marks: 70

Time: 3 hours

Answer SIX questions including Q No. 1 which is compulsory.

The figures in the right hand margin indicate marks. *Symbols carry usual meaning.*

- Q1. Answer all questions. [2×10]
- a) Explain the meaning of simple interest with an example.
 - b) What do you mean by standard costing?
 - c) What is sinking fund?
 - d) What do you mean by fixed cost?
 - e) What do you understand by compound interest?
 - f) Make distinction between cost control and cost reduction (any two)
 - g) What do you mean by break – even analysis?
 - h) Give the misconceptions of IRR.
 - i) Define a cost sheet.
 - j) What is meant by sensitivity analysis?
- Q2. What is meant by cost benefit analysis? Discuss the advantages and disadvantages or limitation of cost benefit analysis. [10]
- Q3. a) Write a short note on payback period ? [5]
b) Differentiate between fixed costs and variable costs. [5]
- Q4. a) Explain and illustrate the various elements of cost. [5]
b) What is the principal amount if the principal plus interest at the end of 5 years is Rs. 14,000 for a simple interest of 10% per annum ? [5]
- Q5. a) What is process costing? [5]
b) Calculate - [5]
i) PIV ratio
ii) Profit when sales are Rs. 20,000 from the following data :
Fixed costs : Rs. 4,000
Break even point : Rs. 10,000
- Q6. a) Ascertain the cost and selling price [5]
Materials consumed : Rs. 10,000
Wages : Rs. 8,000
Works on cost 25% of wages
office on cost 20% on works
cost selling on cost 10% on works
cost profit 10% on sales ?
b) Write a note on straight line method of depreciation with example. [5]
- Q7. a) Describe the merits of NPW and IRR methods. [5]
b) Write a note on after tax economic comparison. [5]
- Q8. a) State the basic steps involved in understanding a system of cost control. [5]
b) Differentiate between relevant costs and irrelevant costs. [5]