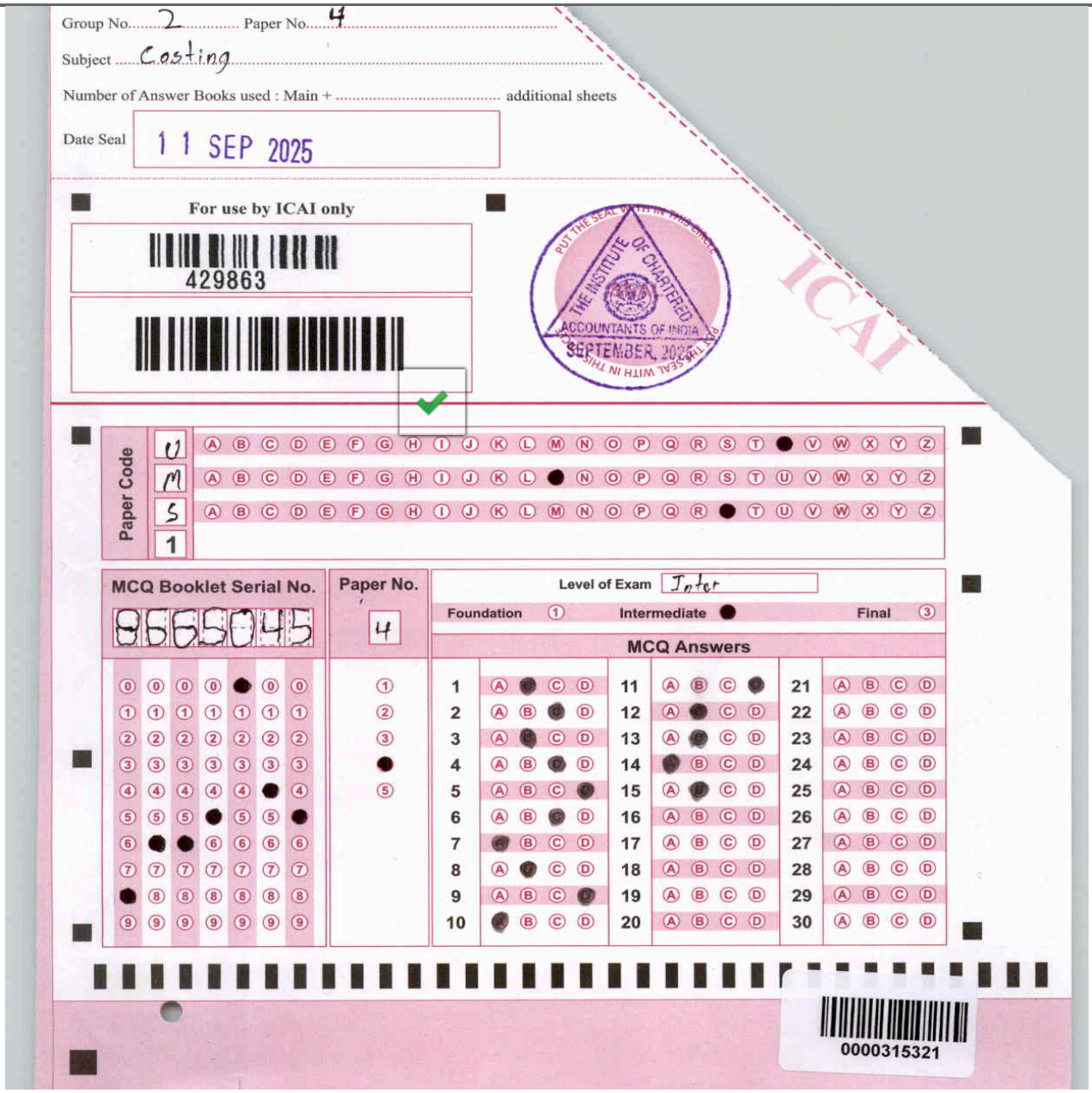
# The Institute of Chartered Accountants of India

| | | | |
|---|---|---|---|
| **Code:** | **IN4CM429863** | **Total Marks:** | **70** |
| **Subject :** | **04 Cost and Management Accounting** | **Marks Obtained :** | **42** |



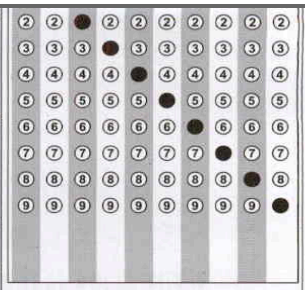
# The Institute of Chartered Accountants of India

**Code:** IN4CM429863 **Total Marks:** 70
**Subject :** 04 Cost and Management Accounting **Marks Obtained :** 42

l number written in numbers, words and
ation wrongly, Institute will not take any

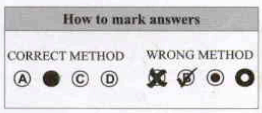
esh page and question number prominently written at the
iber should be distinctly written in the margin.
e fully completed in one page or in a consecutive set of pages,

nan the space provided for the purpose or writing distinguishing mark,
'786", etc., will tantamount to adoption of "unfair means"
book to the invigilator take care to score out (X) blank pages, if any, that you

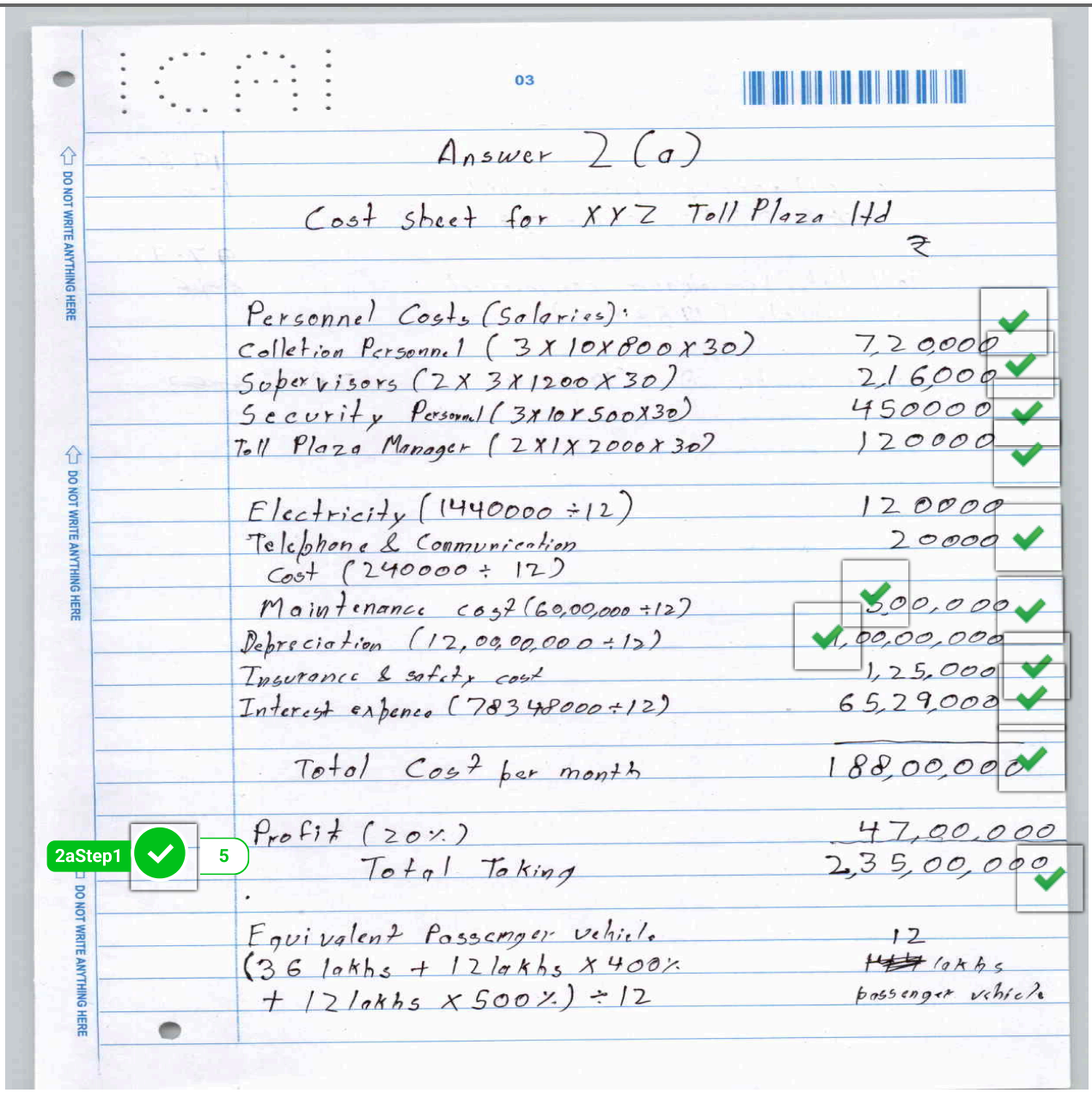


## CTIONS TO THE CANDIDATE FOR FILLING THE **MCQ ANSWER FIELDS**

**. Pencil to Darken the appropriate Circle.**
darken the correct MCQ Booklet Serial No. as printed on your question booklet which will be taken as final for evaluation.
any candidate fills in this information wrongly, Institute will not take any responsibility for rectifying the mistake.
se darken the complete circle.
If you want to change your Answer, erase the darkened circle completely and make a fresh mark.
5. Please do NOT make any stray marks on the OMR cover page.
6. Rough work must NOT be done on the OMR cover page.
7. Mark your answer only in the appropriate space against the number corresponding to the question.




| Q. No. | To be ticked ✓ by the candidate against the Questions answered ( Descriptive Type ) | | |
|---|---|---|---|
| 1 | ☐ | 8 | ☐ |
| 2 | ☐ | 9 | ☐ |
| 3 | ☐ | 10 | ☐ |
| 4 | ☐ | 11 | ☐ |
| 5 | ☐ | 12 | ☐ |
| 6 | ☐ | 13 | ☐ |
| 7 | ☐ | 14 | ☐ |
| Total | | Total | |



03

Answer 2 (a)

Cost sheet for XYZ Toll Plaza Ltd

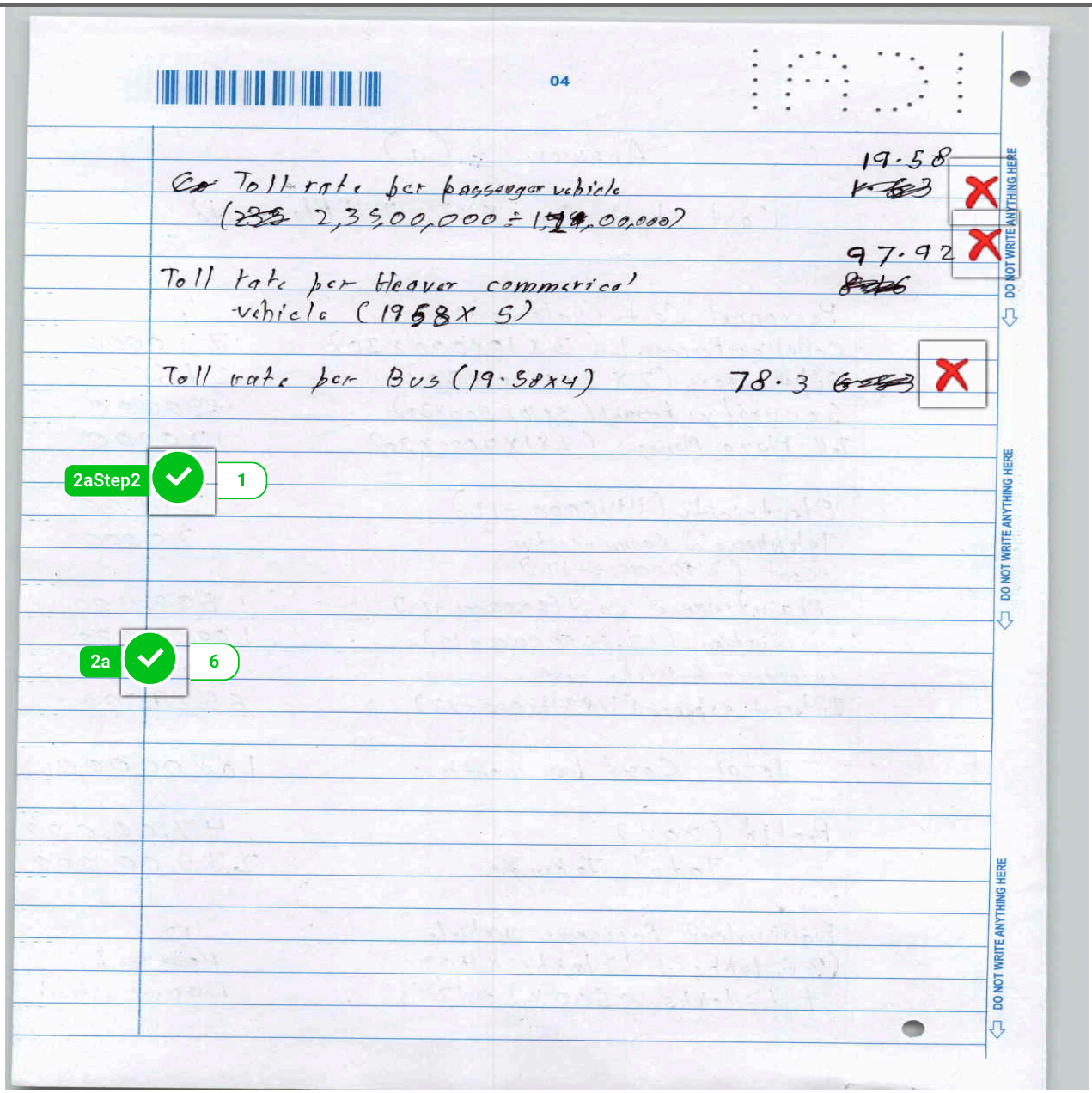
| | ₹ |
|---|---|
| Personnel Costs (Salaries): | |
| Colletion Personnel (3 X 10 X 800 X 30) | 7,20,000 |
| Supervisors (2 X 3 X 1200 X 30) | 2,16,000 |
| Security Personnel (3 X 10 X 500 X 30) | 450000 |
| Toll Plaza Manager (2 X 1 X 2000 X 30) | 120000 |
| Electricity (1440000 ÷ 12) | 120000 |
| Telephone & Communication Cost (240000 ÷ 12) | 20000 |
| Maintenance cost (60,00,000 ÷ 12) | 5,00,000 |
| Depreciation (12,00,00,000 ÷ 12) | 1,00,00,000 |
| Insurance & safety cost | 1,25,000 |
| Interest expence (78348000 ÷ 12) | 65,29,000 |
| Total Cost per month | 188,00,000 |
| Profit (20%) | 47,00,000 |
| Total Taking | 2,35,00,000 |

Equivalent Passenger vehicle
(36 lakhs + 12 lakhs X 400% + 12 lakhs X 500%) ÷ 12 = 12 lakhs passenger vehicle

2aStep1 5

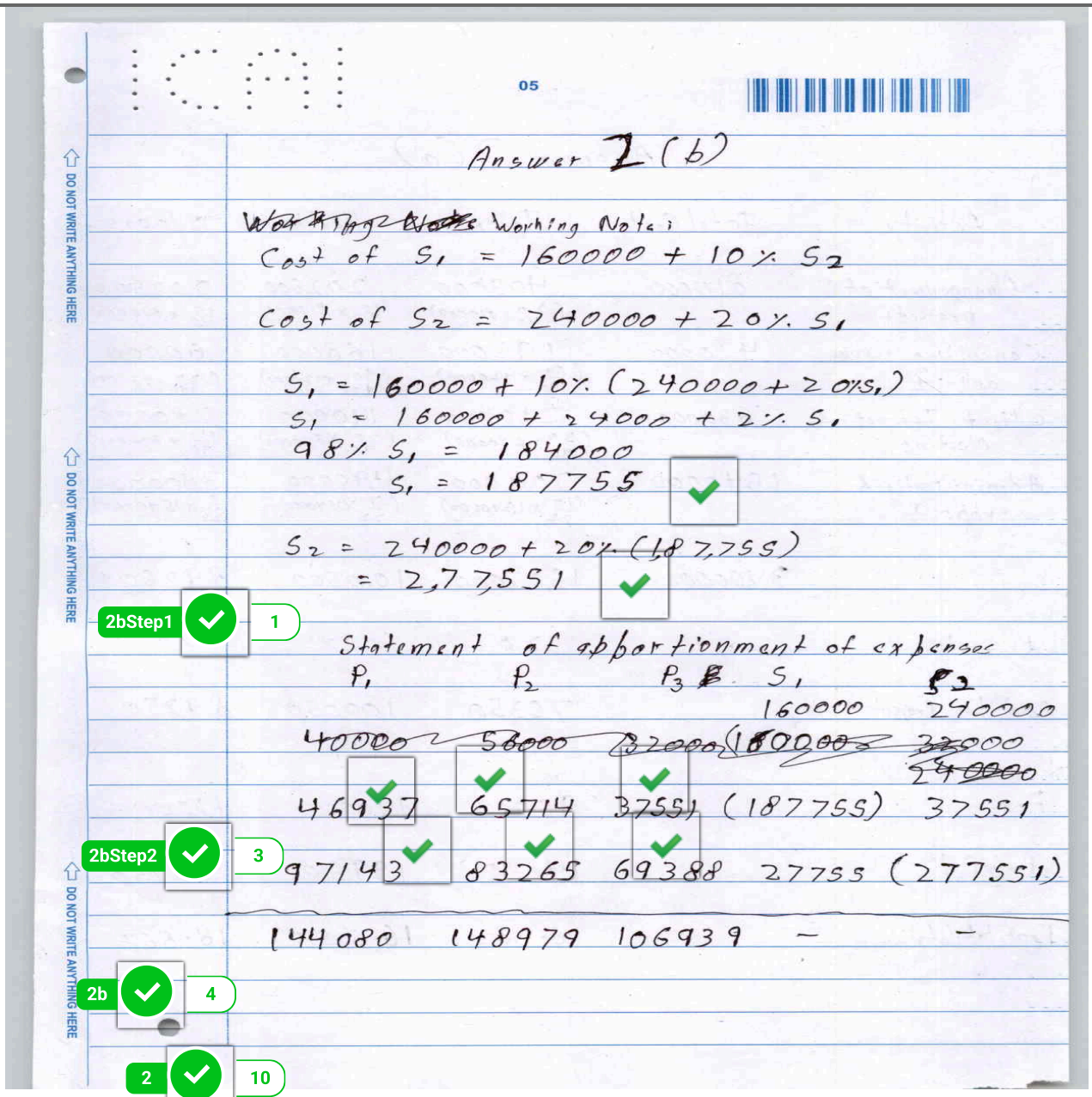
# The Institute of Chartered Accountants of India

| | | | |
|---|---|---|---|
| **Code:** | **IN4CM429863** | **Total Marks:** | **70** |
| **Subject :** | **04 Cost and Management Accounting** | **Marks Obtained :** | **42** |




2aStep2 ✓ 1

2a ✓ 6



05

Answer 1 (b)

Working Note :

Cost of $S_1$ = 160000 + 10% $S_2$

Cost of $S_2$ = 240000 + 20% $S_1$

$S_1$ = 160000 + 10% (240000 + 20% $S_1$)

$S_1$ = 160000 + 24000 + 2% $S_1$

98% $S_1$ = 184000

$S_1$ = 187755

$S_2$ = 240000 + 20% (187755)

= 2,77,551

2bStep1 1

Statement of apportionment of expenses

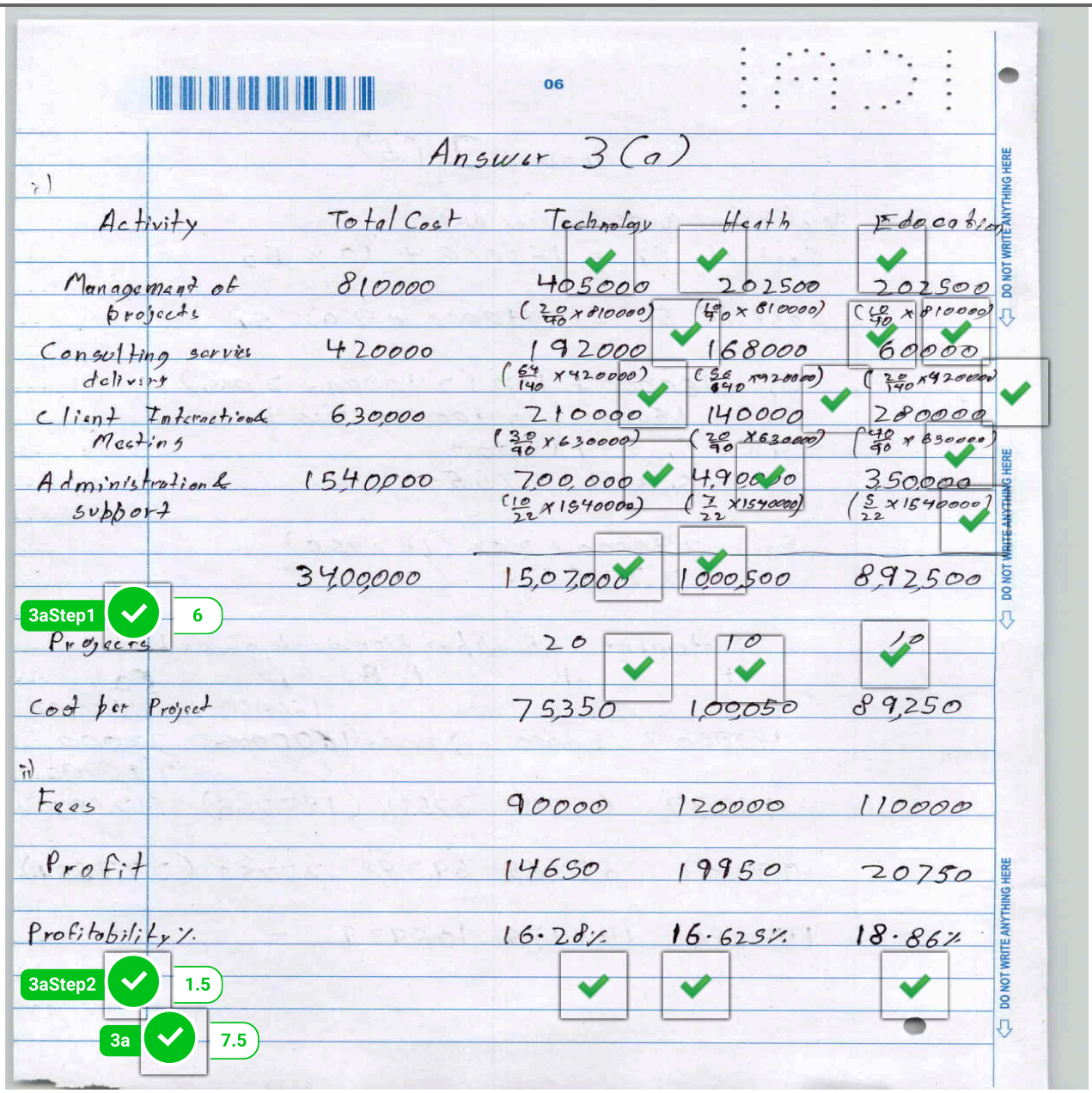
| | $P_1$ | $P_2$ | $P_3$ | $S_1$ | $S_2$ |
|---|---|---|---|---|---|
| | | | | 160000 | 240000 |
| | 40000 | 56000 | 32000 | (180000) | 32000 |
| | | | | | 240000 |
| | 46937 | 65714 | 37551 | (187755) | 37551 |
| 2bStep2 3 | 97143 | 83265 | 69388 | 27755 | (277551) |
| | 144080 | 148979 | 106939 | – | – |

2b 4

2 10

# The Institute of Chartered Accountants of India

**Code:** IN4CM429863 **Total Marks:** 70
**Subject :** 04 Cost and Management Accounting **Marks Obtained :** 42



06

Answer 3(a)

i)

| Activity | Total Cost | Technology | Health | Education |
|---|---|---|---|---|
| Management of projects | 810000 | 405000 (20/40 x 810000) | 202500 (20/40 x 810000) | 202500 (20/40 x 810000) |
| Consulting services delivery | 420000 | 192000 (64/140 x 420000) | 168000 (56/140 x 420000) | 60000 (20/140 x 420000) |
| Client Interaction & Meeting | 630000 | 210000 (30/90 x 630000) | 140000 (20/90 x 630000) | 280000 (40/90 x 630000) |
| Administration & support | 1540000 | 700000 (10/22 x 1540000) | 490000 (7/22 x 1540000) | 350000 (5/22 x 1540000) |
| | 3400000 | 1507000 | 1000500 | 892500 |
| Projects | | 20 | 10 | 10 |
| Cost per Project | | 75350 | 100050 | 89250 |

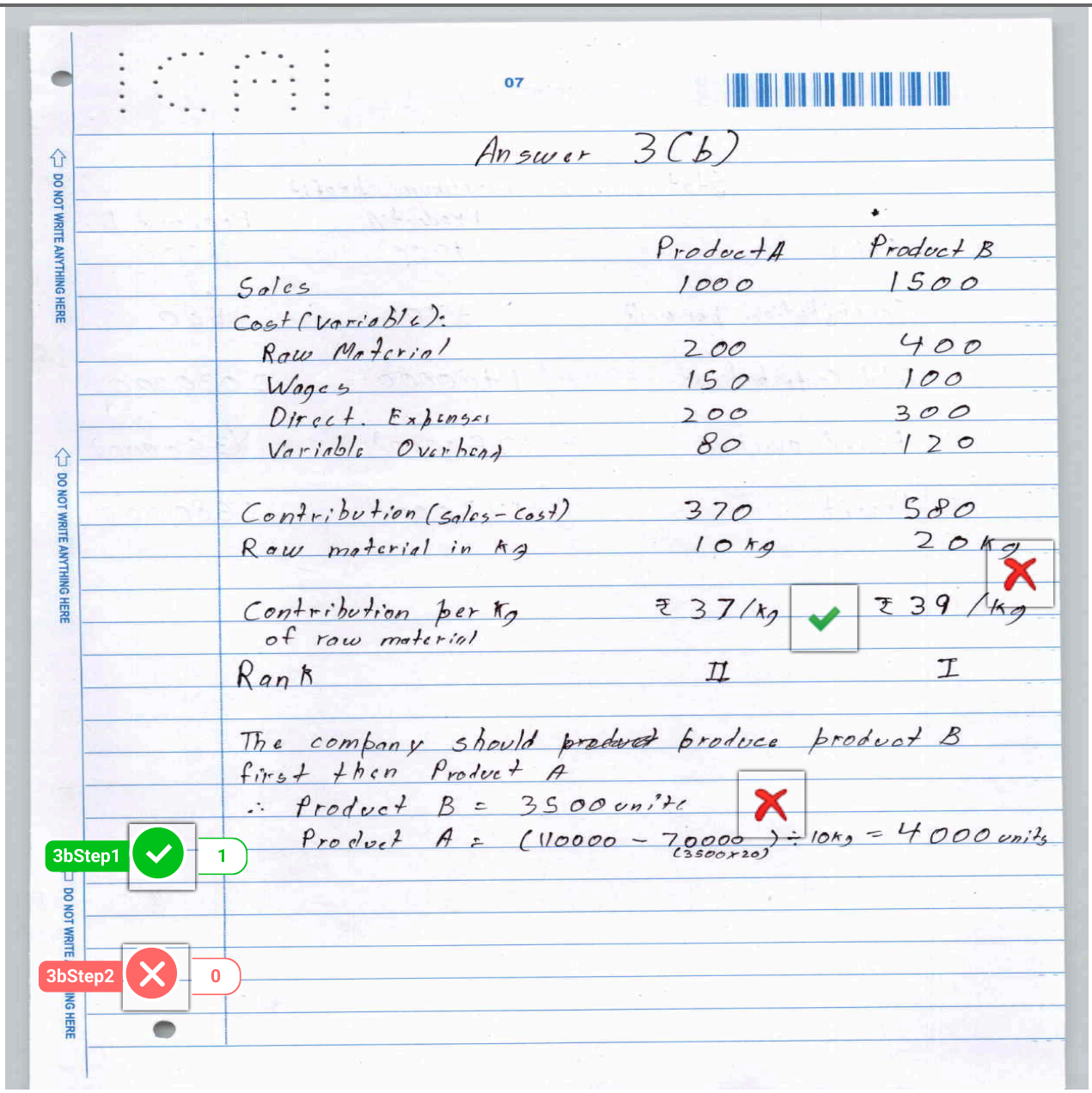
ii)

| | | | |
|---|---|---|---|
| Fees | 90000 | 120000 | 110000 |
| Profit | 14650 | 19950 | 20750 |
| Profitability % | 16.28% | 16.625% | 18.86% |

3aStep1 6

3aStep2 1.5

3a 7.5



07

Answer 3(b)

| | Product A | Product B |
|---|---|---|
| Sales | 1000 | 1500 |
| Cost (variable): | | |
| Raw Material | 200 | 400 |
| Wages | 150 | 100 |
| Direct Expenses | 200 | 300 |
| Variable Overhead | 80 | 120 |
| Contribution (Sales - Cost) | 370 | 580 |
| Raw material in Kg | 10 kg | 20 kg |
| Contribution per Kg of raw material | ₹ 37/kg | ₹ 39/kg |
| Rank | II | I |

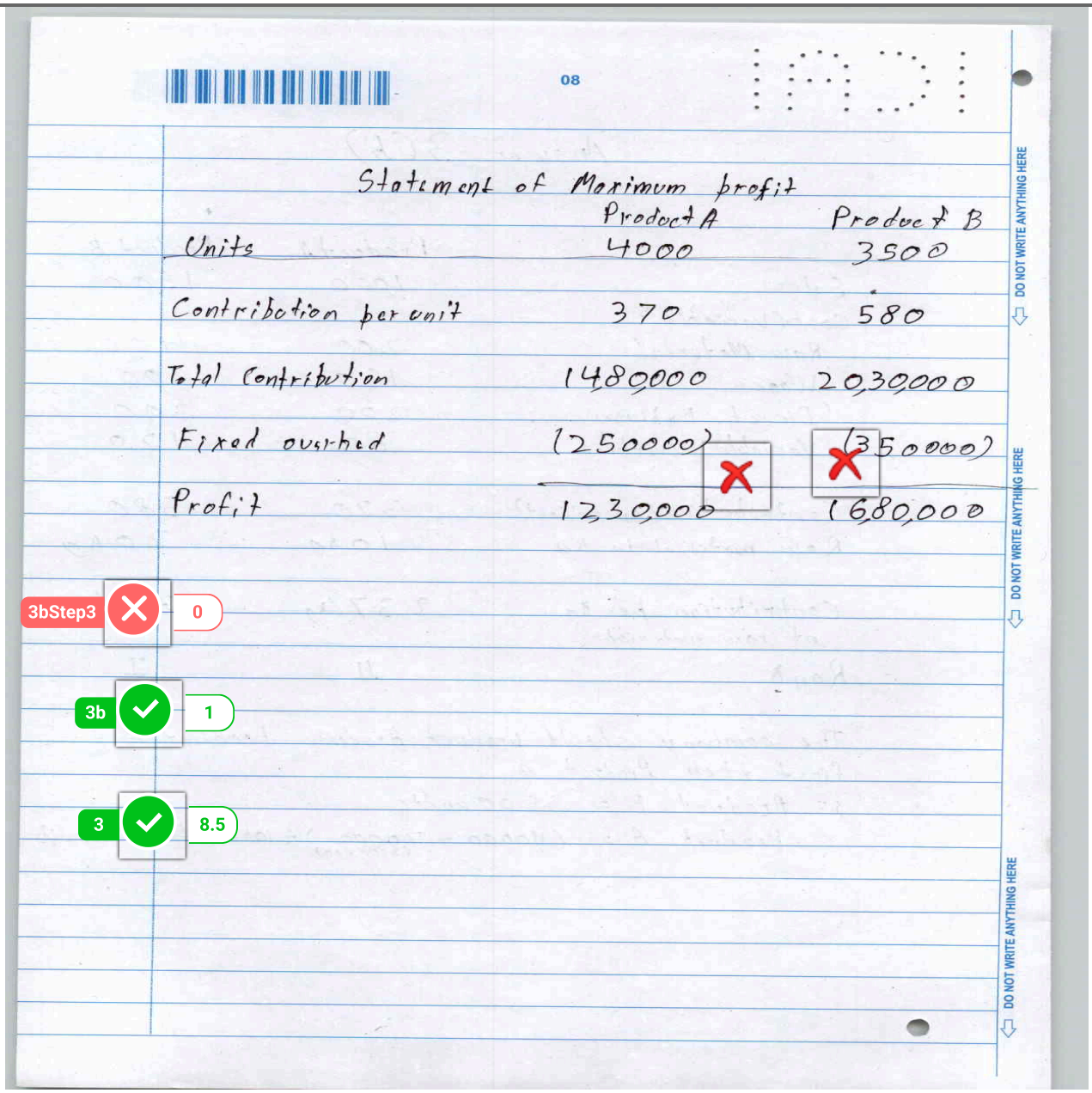
The company should ~~product~~ produce product B first then Product A

∴ Product B = 3500 units

Product A = (110000 − 70000 (3500×20)) ÷ 10kg = 4000 units

3bStep1 1

3bStep2 0



08

Statement of Maximum profit

| | Product A | Product B |
|---|---|---|
| Units | 4000 | 3500 |
| Contribution per unit | 370 | 580 |
| Total Contribution | 1480000 | 2030000 |
| Fixed overhead | (250000) | (350000) |
| Profit | 1230000 | 1680000 |

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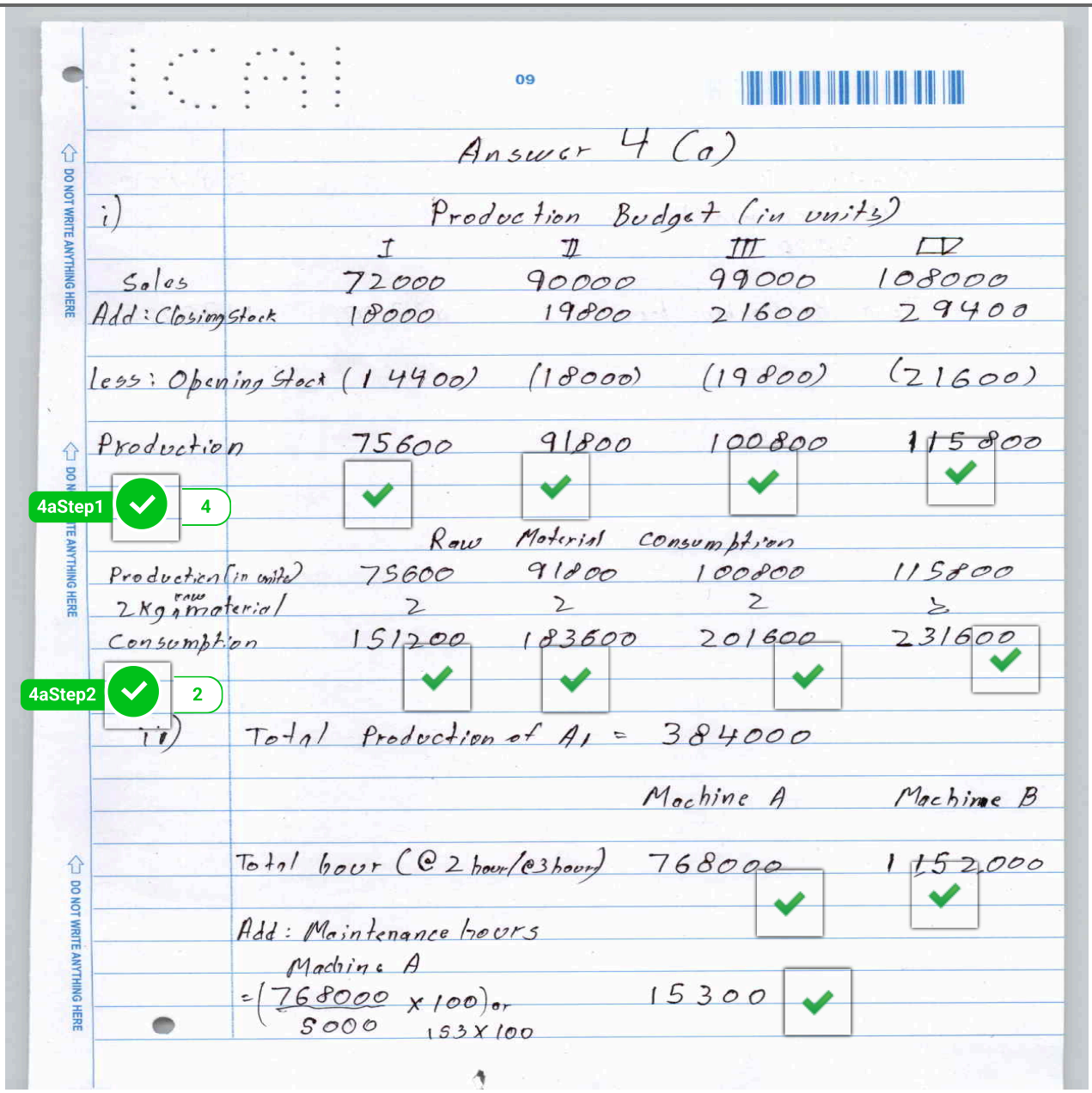
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3bStep3 0

3b 1

3 8.5



09

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Answer 4 (a)

i) Production Budget (in units)

| | I | II | III | IV |
|---|---|---|---|---|
| Sales | 72000 | 90000 | 99000 | 108000 |
| Add: Closing Stock | 18000 | 19800 | 21600 | 29400 |
| Less: Opening Stock | (14400) | (18000) | (19800) | (21600) |
| Production | 75600 | 91800 | 100800 | 115800 |

4aStep1 4

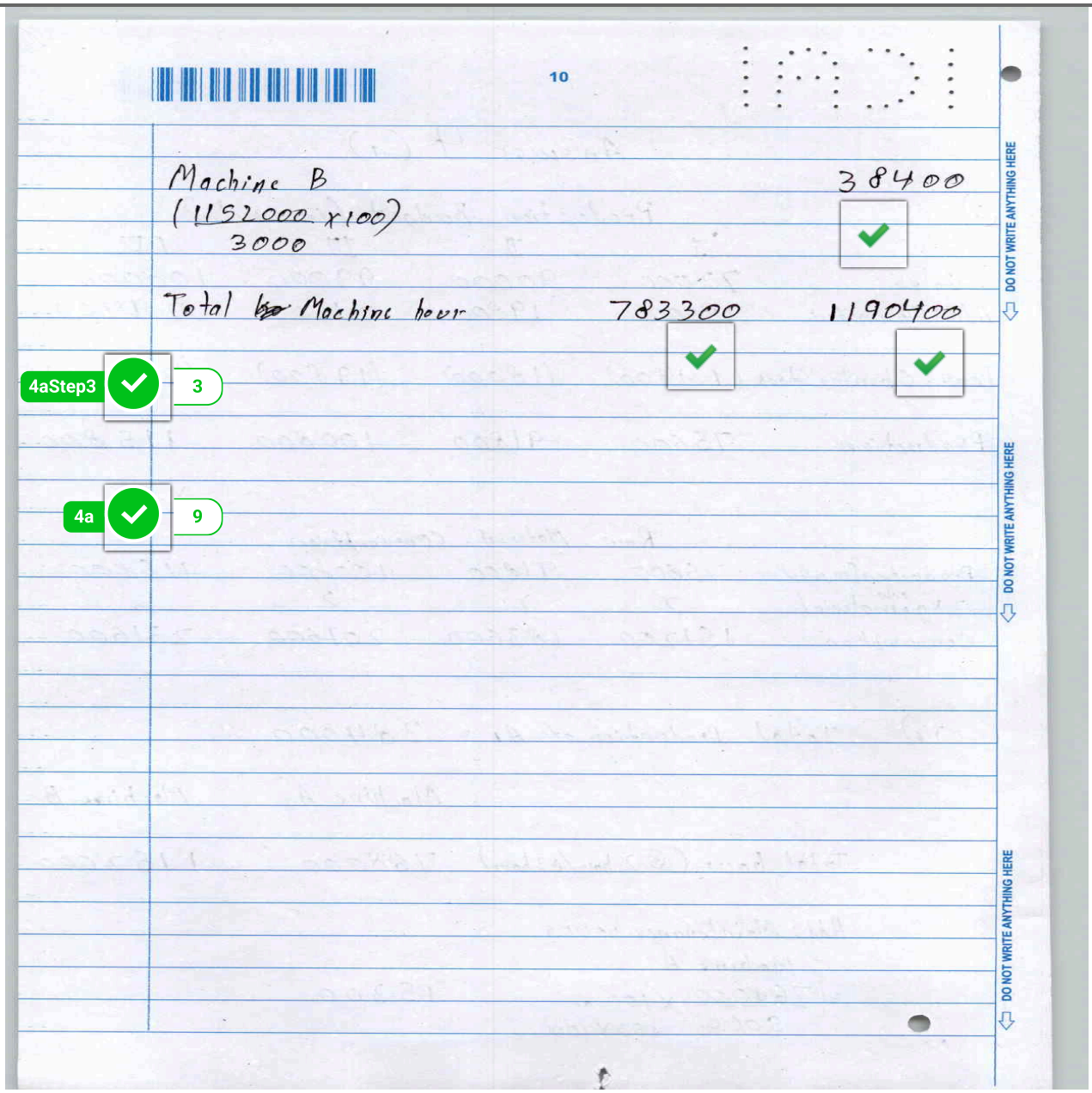
Raw Material consumption

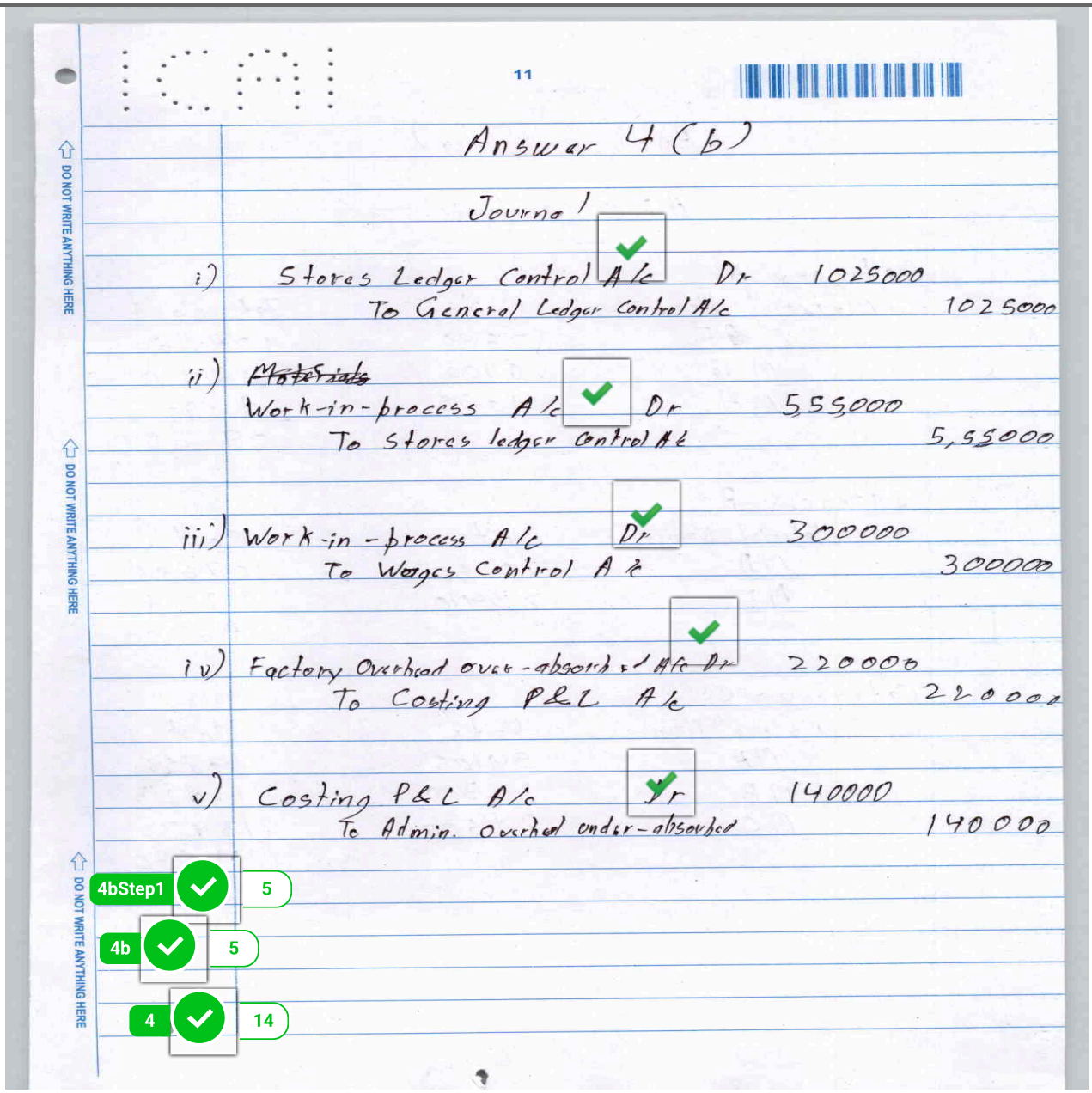
| | | | | |
|---|---|---|---|---|
| Production (in units) | 75600 | 91800 | 100800 | 115800 |
| 2 Kg raw material/ Consumption | 2 | 2 | 2 | 2 |
| | 151200 | 183600 | 201600 | 231600 |

4aStep2 2

ii) Total Production of A1 = 384000

| | Machine A | Machine B |
|---|---|---|
| Total hour (@ 2 hour/@3 hour) | 768000 | 1152000 |
| Add: Maintenance hours Machine A = (768000/5000 x 100) or 153 x 100 | 15300 | |


10
Machine B
(1152000 x100)
3000
384000
Total Machine hour
783300
1190400
4aStep3
3
4a
9
DO NOT WRITE ANYTHING HERE
DO NOT WRITE ANYTHING HERE
DO NOT WRITE ANYTHING HERE



11

Answer 4 (b)

Journal

i) Stores Ledger Control A/c Dr 1025000
To General Ledger Control A/c 1025000

ii) ~~Materials~~
Work-in-process A/c Dr 555000
To stores ledger control A/c 555000

iii) Work-in-process A/c Dr 300000
To Wages Control A/c 300000

iv) Factory Overhead over-absorbed A/c Dr 220000
To Costing P&L A/c 220000

v) Costing P&L A/c Dr 140000
To Admin. overhead under-absorbed 140000

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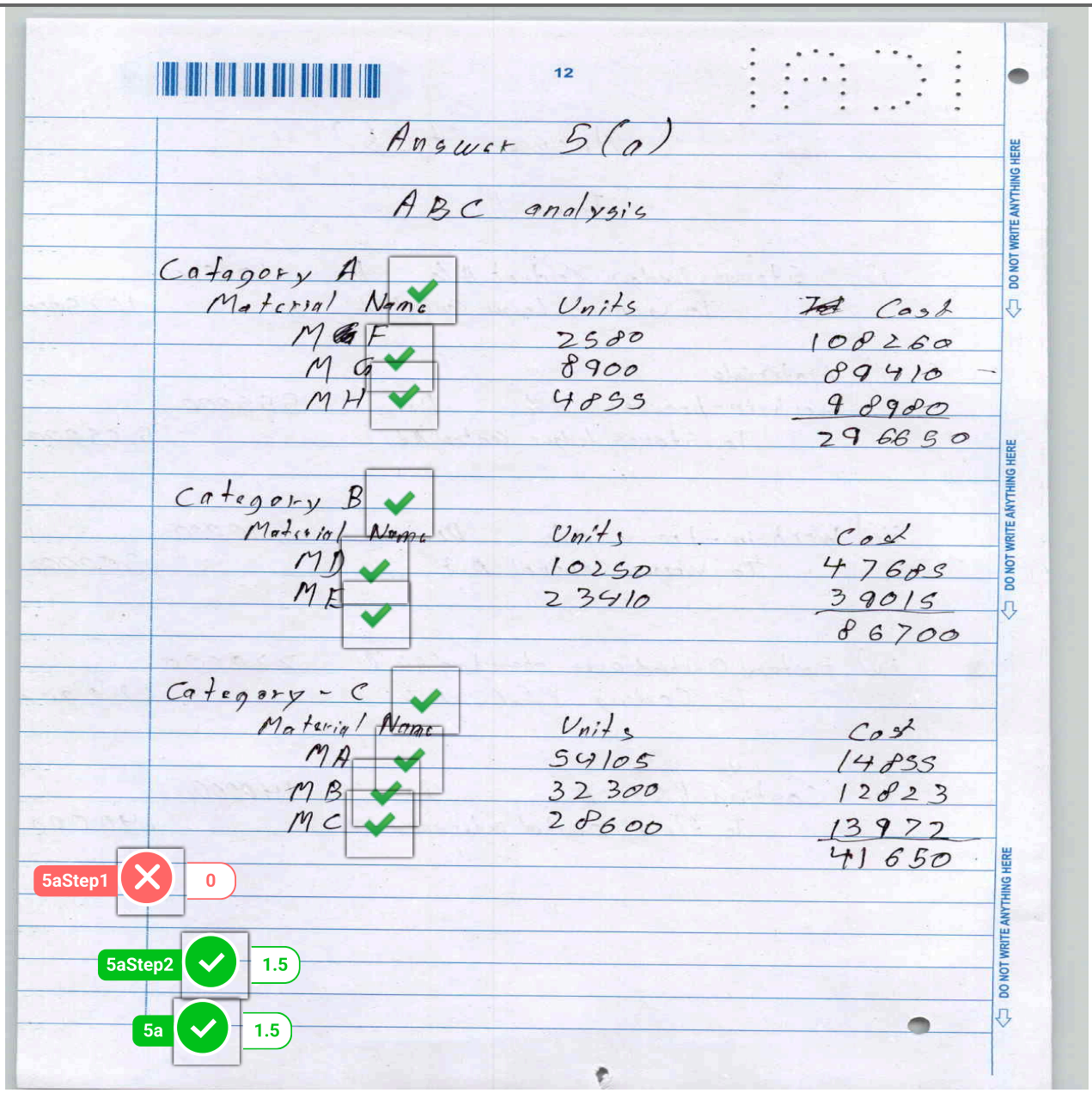
4bStep1 5

4b 5

4 14

# The Institute of Chartered Accountants of India

| | | | |
|---|---|---|---|
| **Code:** | **IN4CM429863** | **Total Marks:** | **70** |
| **Subject :** | **04 Cost and Management Accounting** | **Marks Obtained :** | **42** |



12

Answer 5(a)

ABC analysis

Category A

| Material Name | Units | Cost |
|---|---|---|
| MF | 2580 | 108260 |
| MG | 8900 | 89410 |
| MH | 4855 | 98980 |
| | | 296650 |

Category B

| Material Name | Units | Cost |
|---|---|---|
| MD | 10250 | 47685 |
| ME | 23410 | 39015 |
| | | 86700 |

Category - C

| Material Name | Units | Cost |
|---|---|---|
| MA | 54105 | 14855 |
| MB | 32300 | 12823 |
| MC | 28600 | 13972 |
| | | 41650 |

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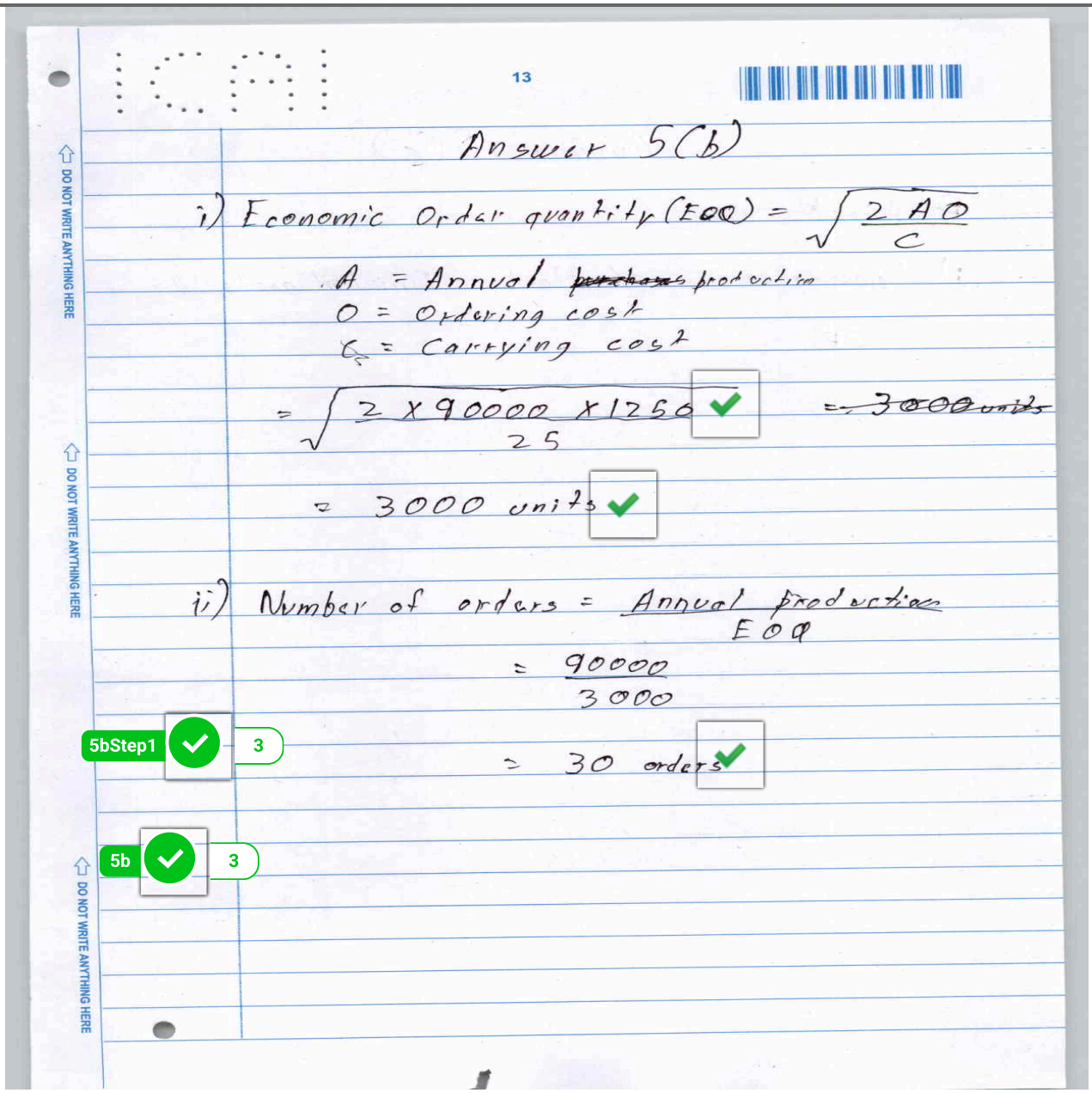
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5aStep1 0

5aStep2 1.5

5a 1.5



13

Answer 5(b)

i) Economic Order quantity (EOQ) = $\sqrt{\frac{2AO}{C}}$

A = Annual ~~purchase~~ production
O = Ordering cost
C = Carrying cost

= $\sqrt{\frac{2 \times 90000 \times 1250}{25}}$ = ~~3000 units~~

= 3000 units

ii) Number of orders = $\frac{\text{Annual production}}{EOQ}$

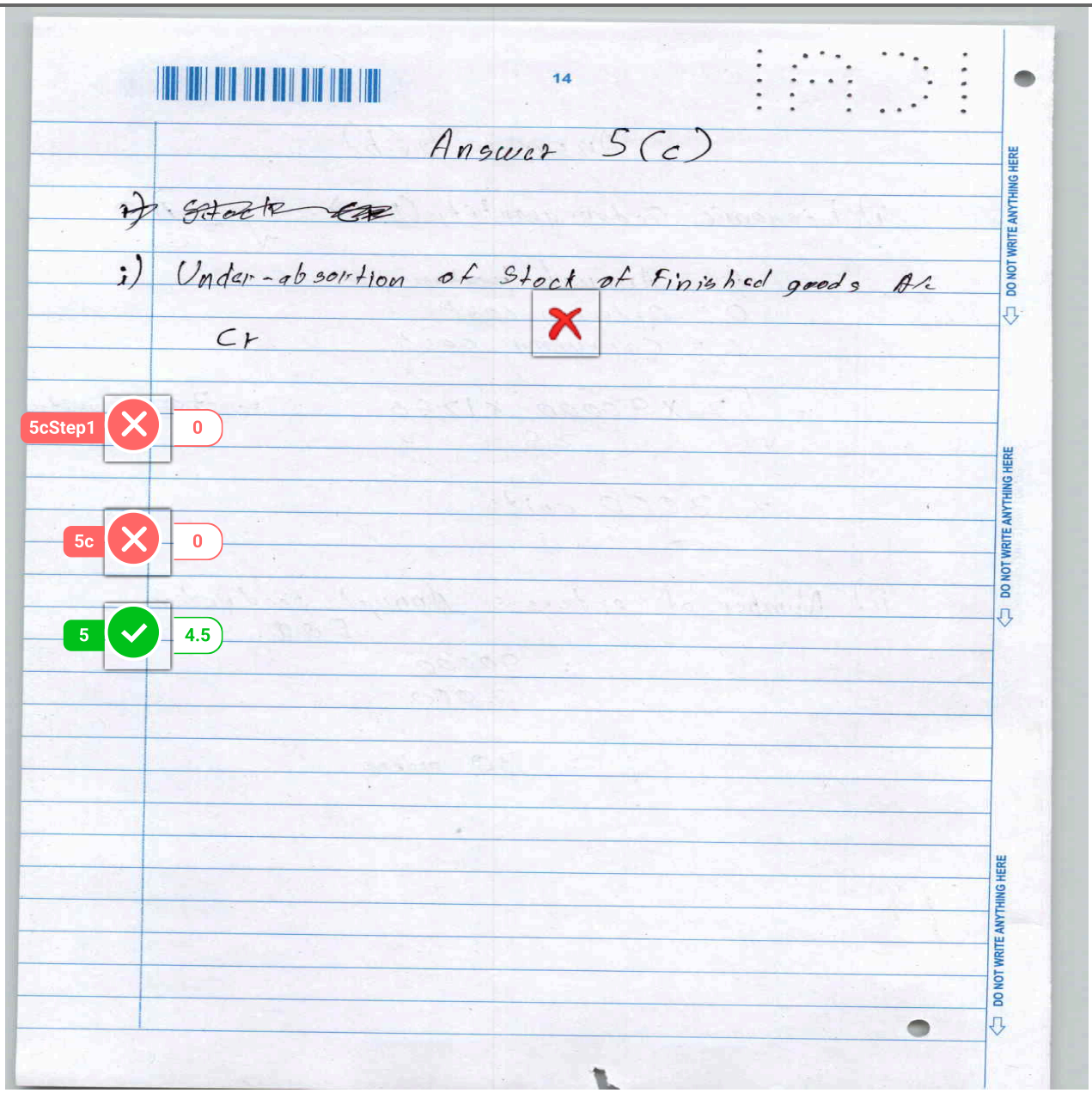
= $\frac{90000}{3000}$

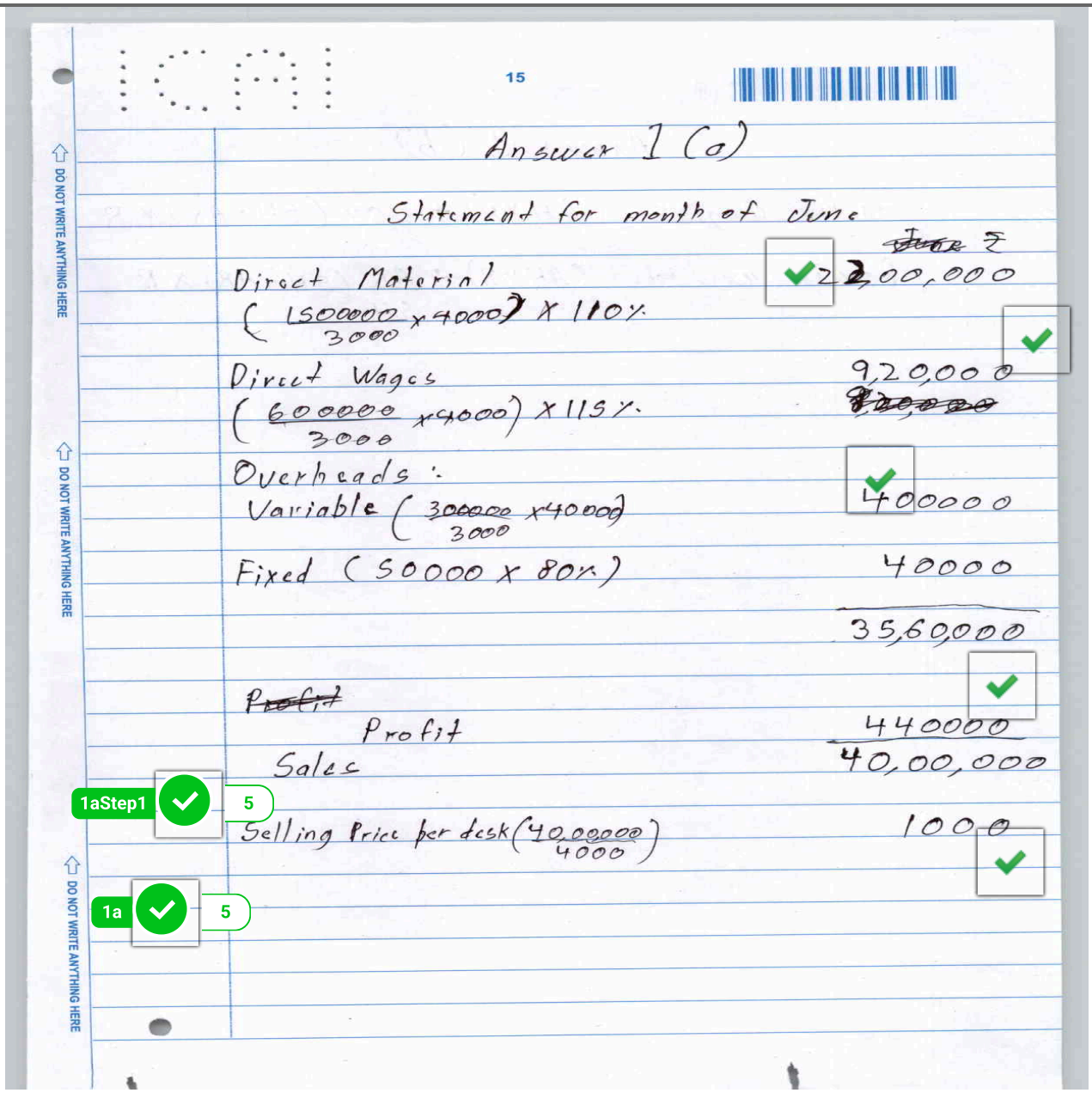
= 30 orders

5bStep1 3

5b 3

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14
Answer 5(c)
i) Under-absorption of Stock of Finished goods A/c
Cr
5cStep1
0
5c
0
5
4.5
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DO NOT WRITE ANYTHING HERE



15

Answer 1 (a)

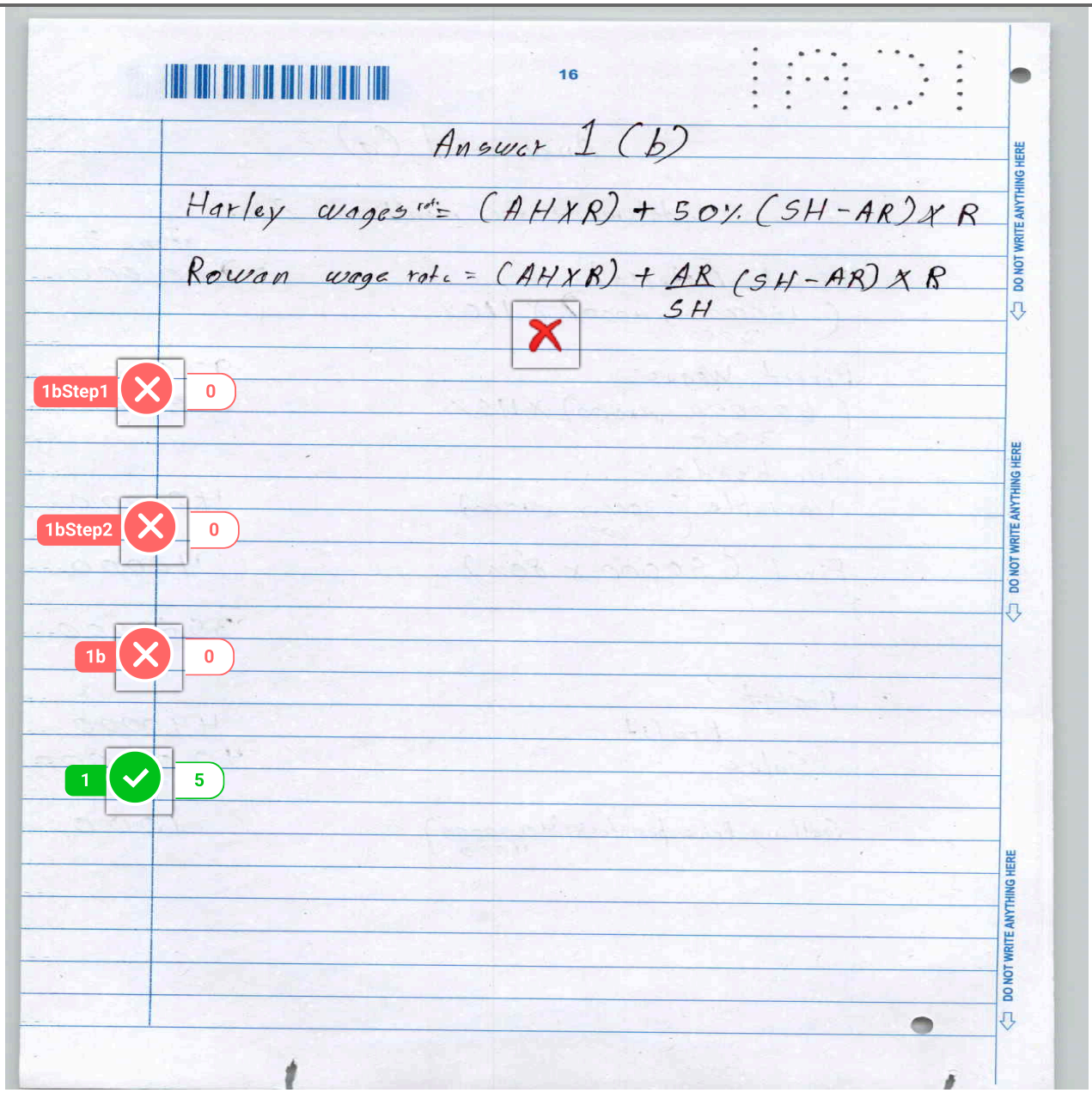
Statement for month of June

| | ~~June~~ ₹ |
|---|---|
| Direct Material ($\frac{1500000}{3000} \times 4000$) X 110% | 22,00,000 |
| Direct Wages ($\frac{600000}{3000} \times 4000$) X 115% | 9,20,000 |
| Overheads : | |
| Variable ($\frac{300000}{3000} \times 4000$) | 400000 |
| Fixed (50000 x 80%) | 40000 |
| | 35,60,000 |
| ~~Profit~~ Profit | 440000 |
| Sales | 40,00,000 |
| Selling Price per desk ($\frac{40,00,000}{4000}$) | 1000 |

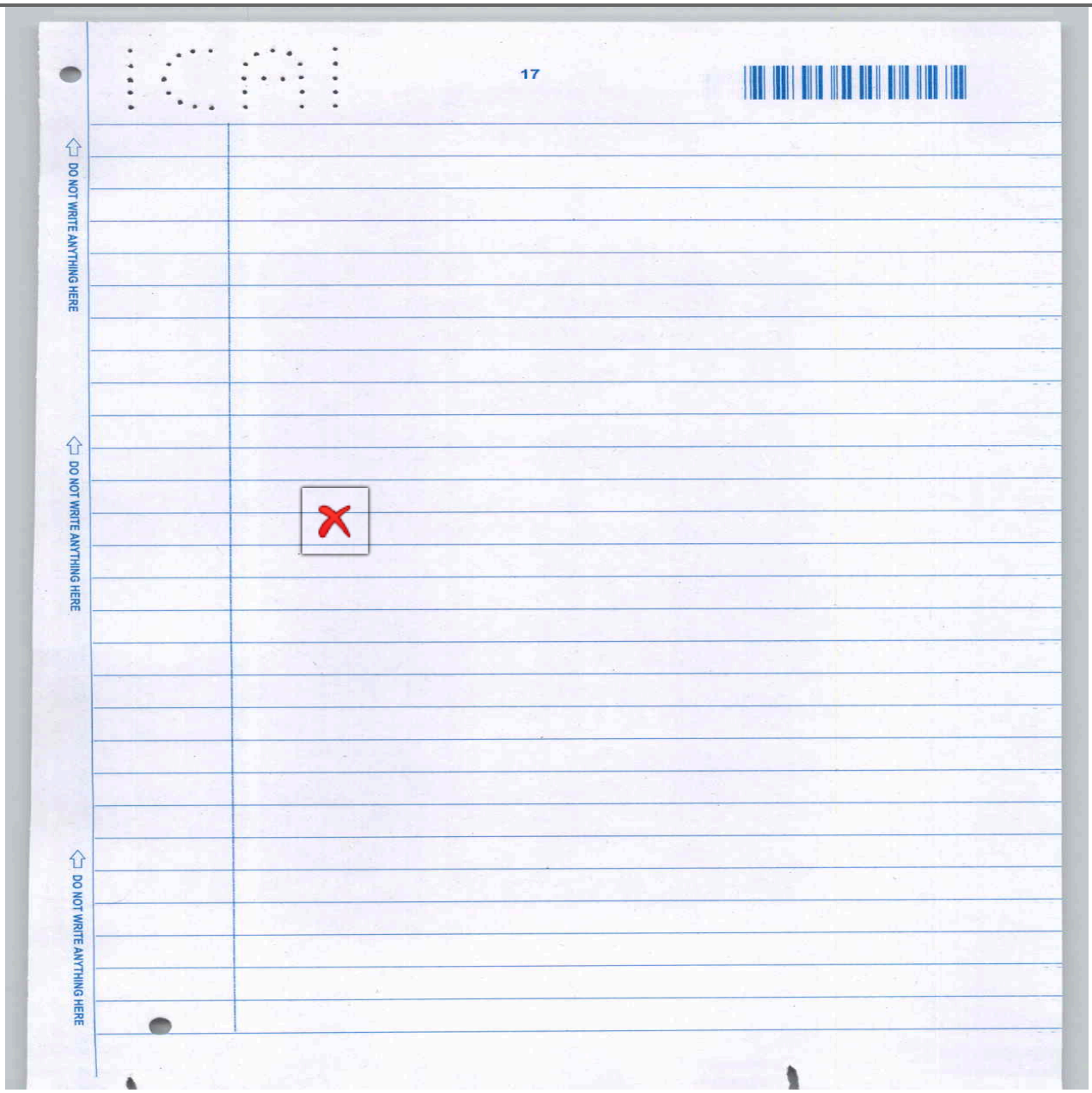
1aStep1 5

1a 5

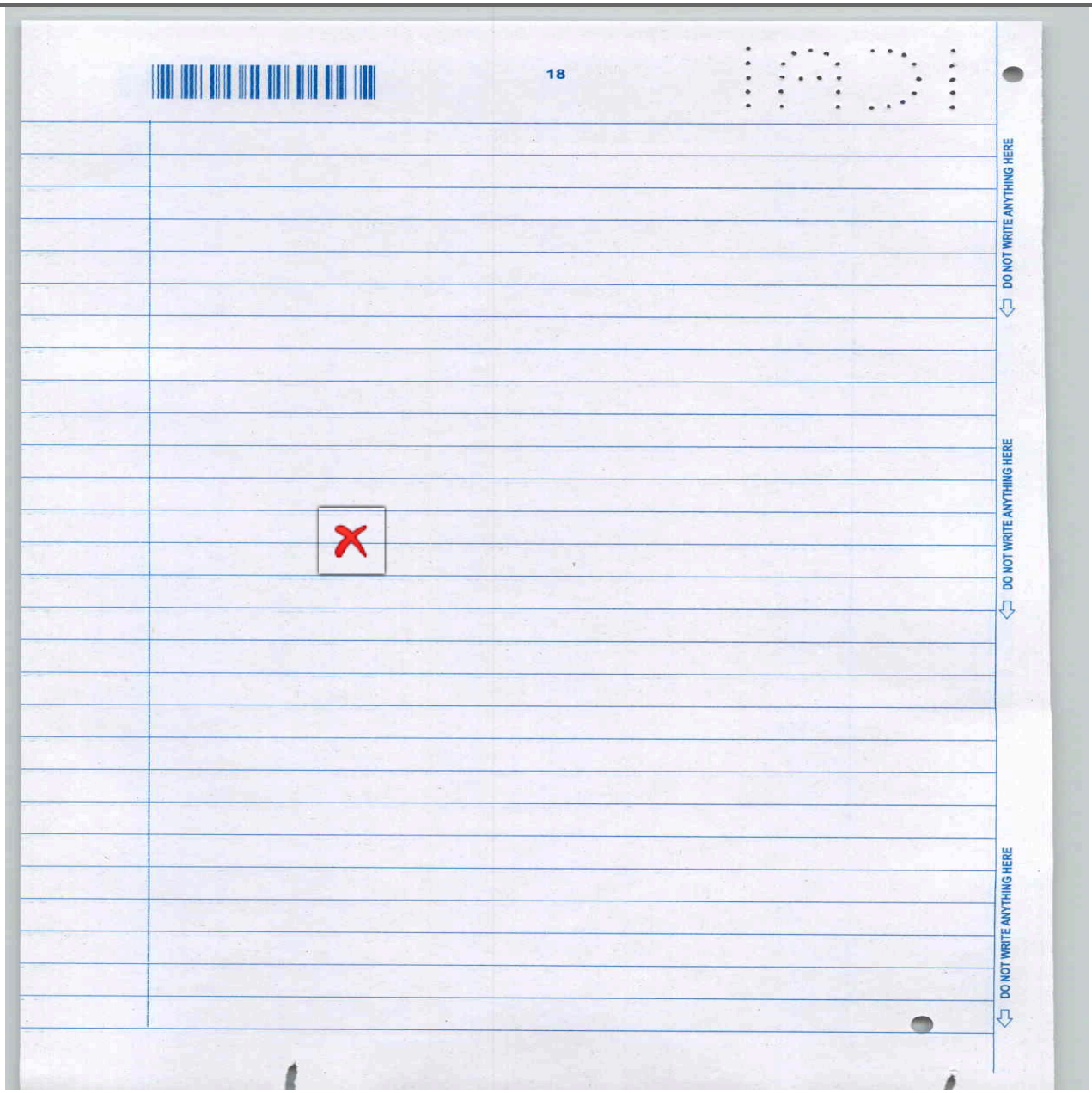
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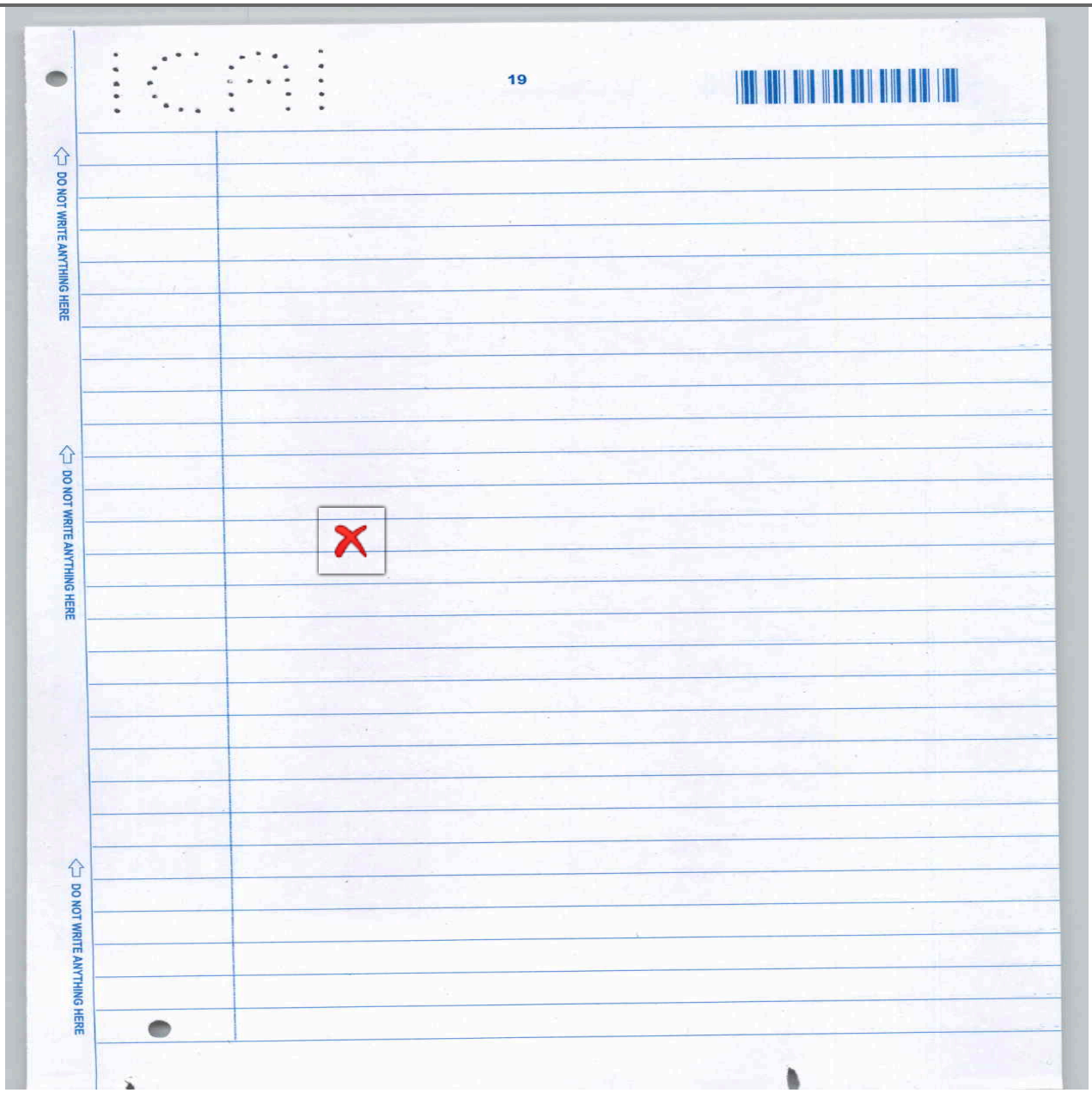

16
Answer 1 (b)
Harley wages rate = (AH X R) + 50% (SH - AR) X R
Rowan wage rate = (AH X R) + AR/SH (SH - AR) X R
1bStep1
0
1bStep2
0
1b
0
1
5
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Code: IN4CM429863 Total Marks: 70
Subject : 04 Cost and Management Accounting Marks Obtained : 42

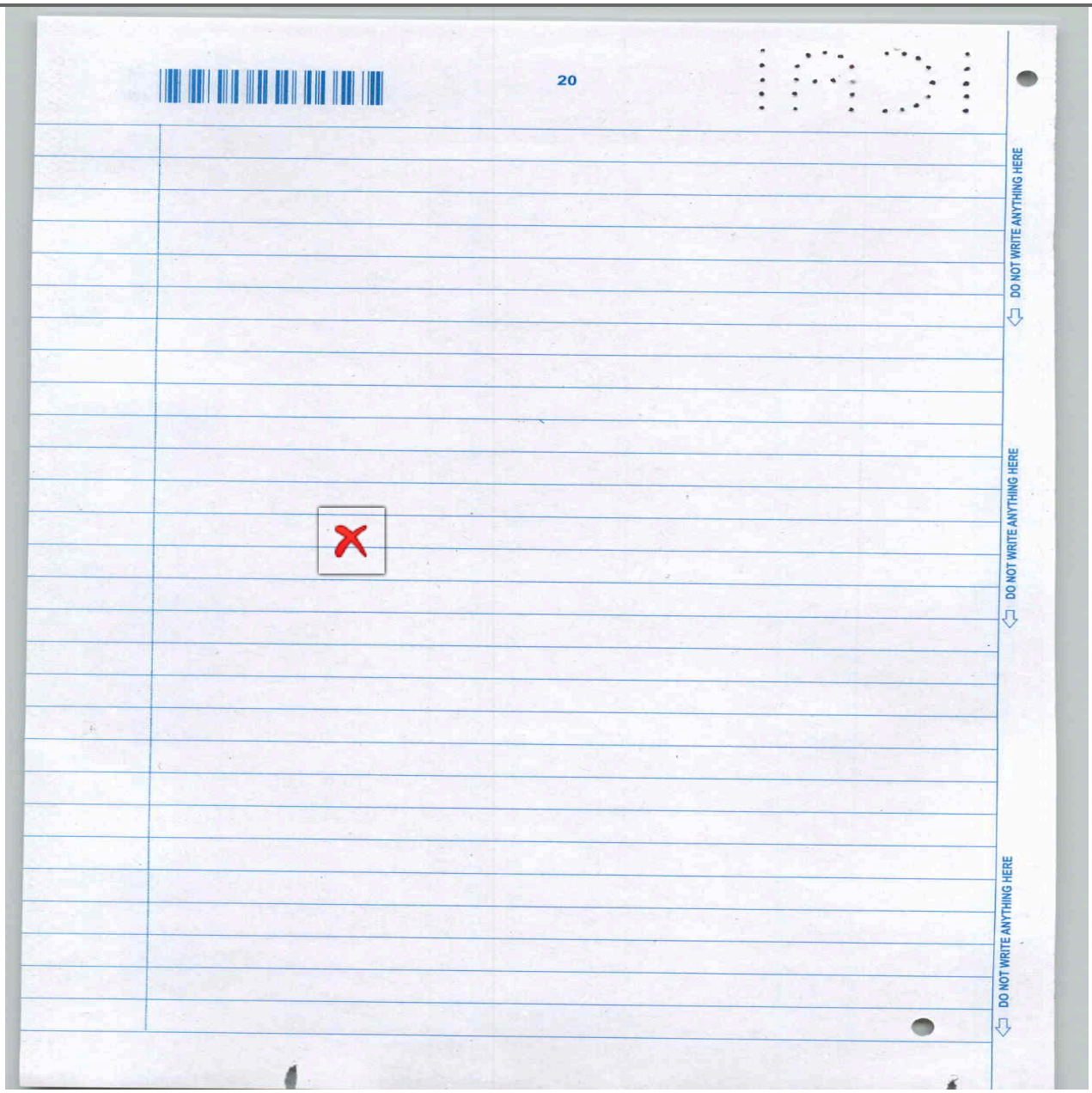


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|---|---|---|---|
| Code: | IN4CM429863 | Total Marks: | 70 |
| Subject : | 04 Cost and Management Accounting | Marks Obtained : | 42 |

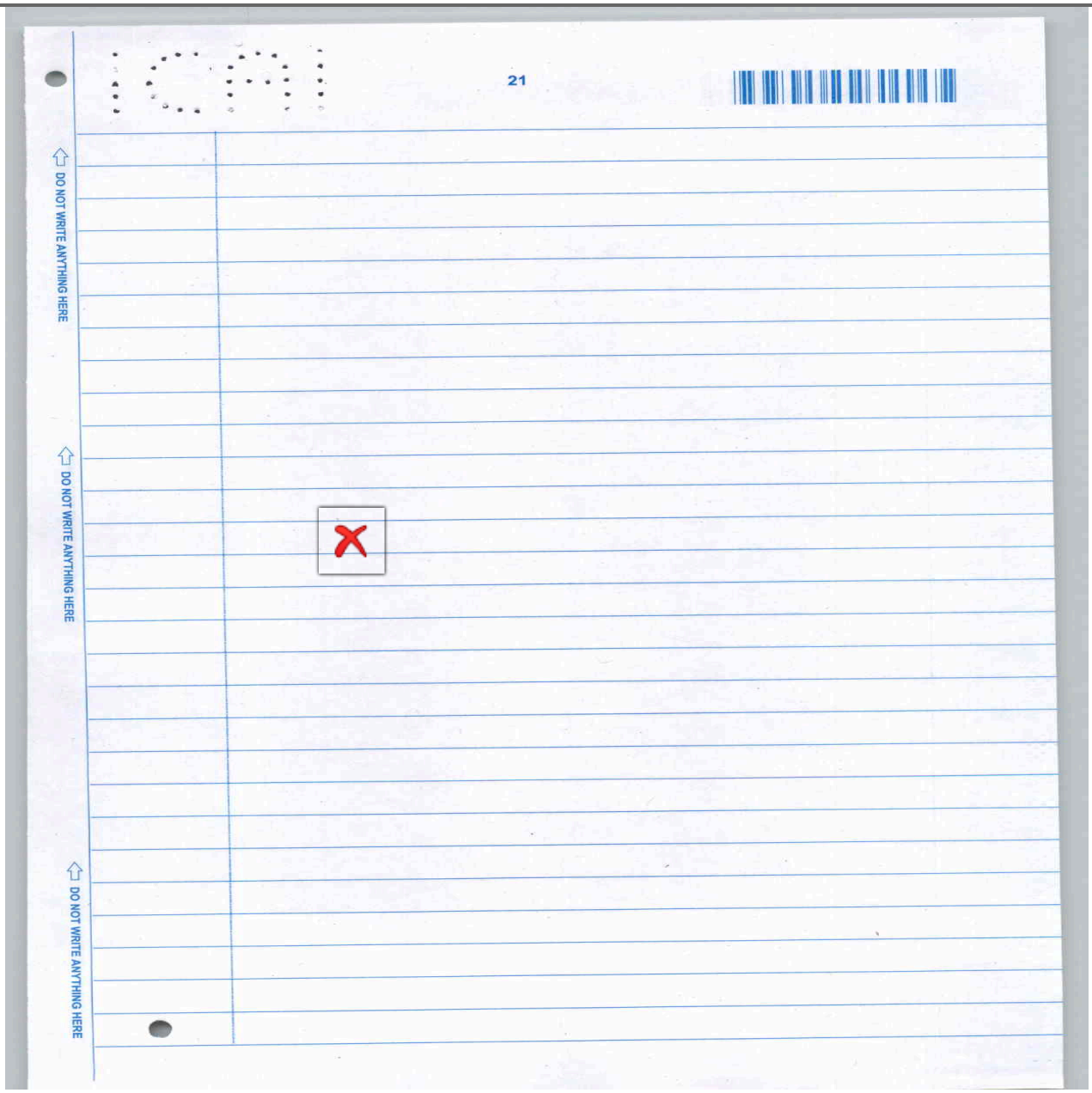



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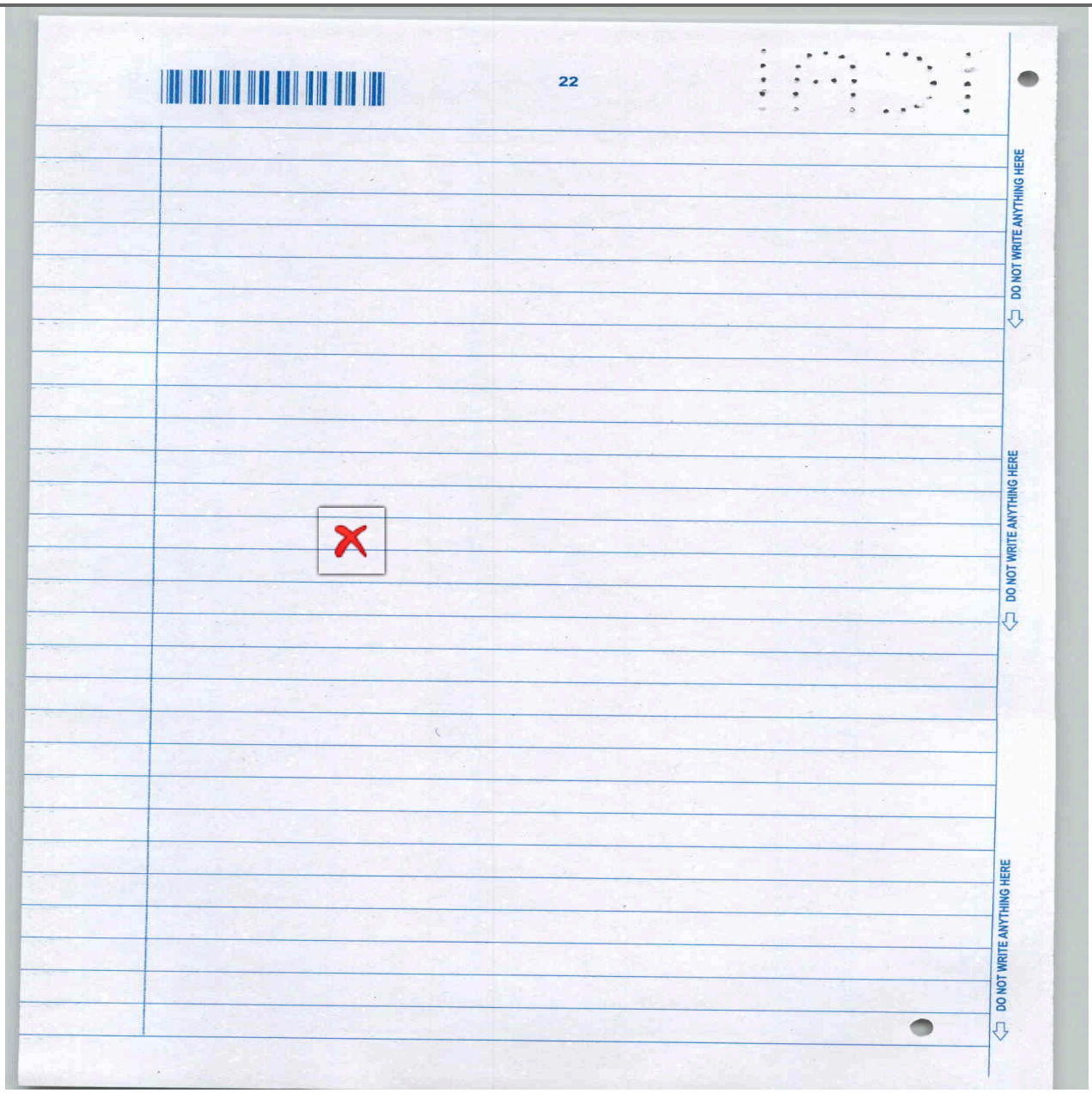
Code: IN4CM429863 Total Marks: 70
Subject : 04 Cost and Management Accounting Marks Obtained : 42

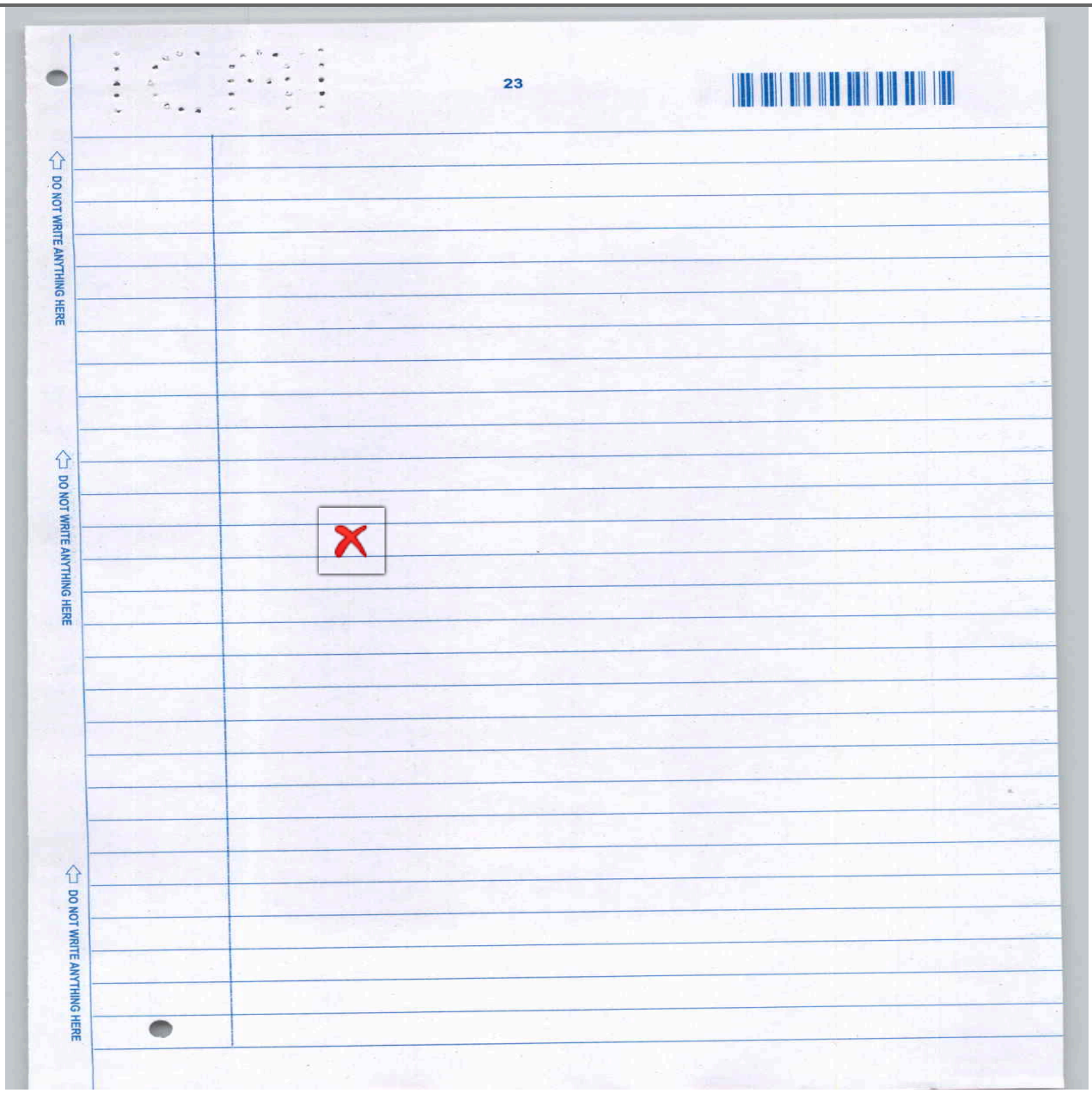


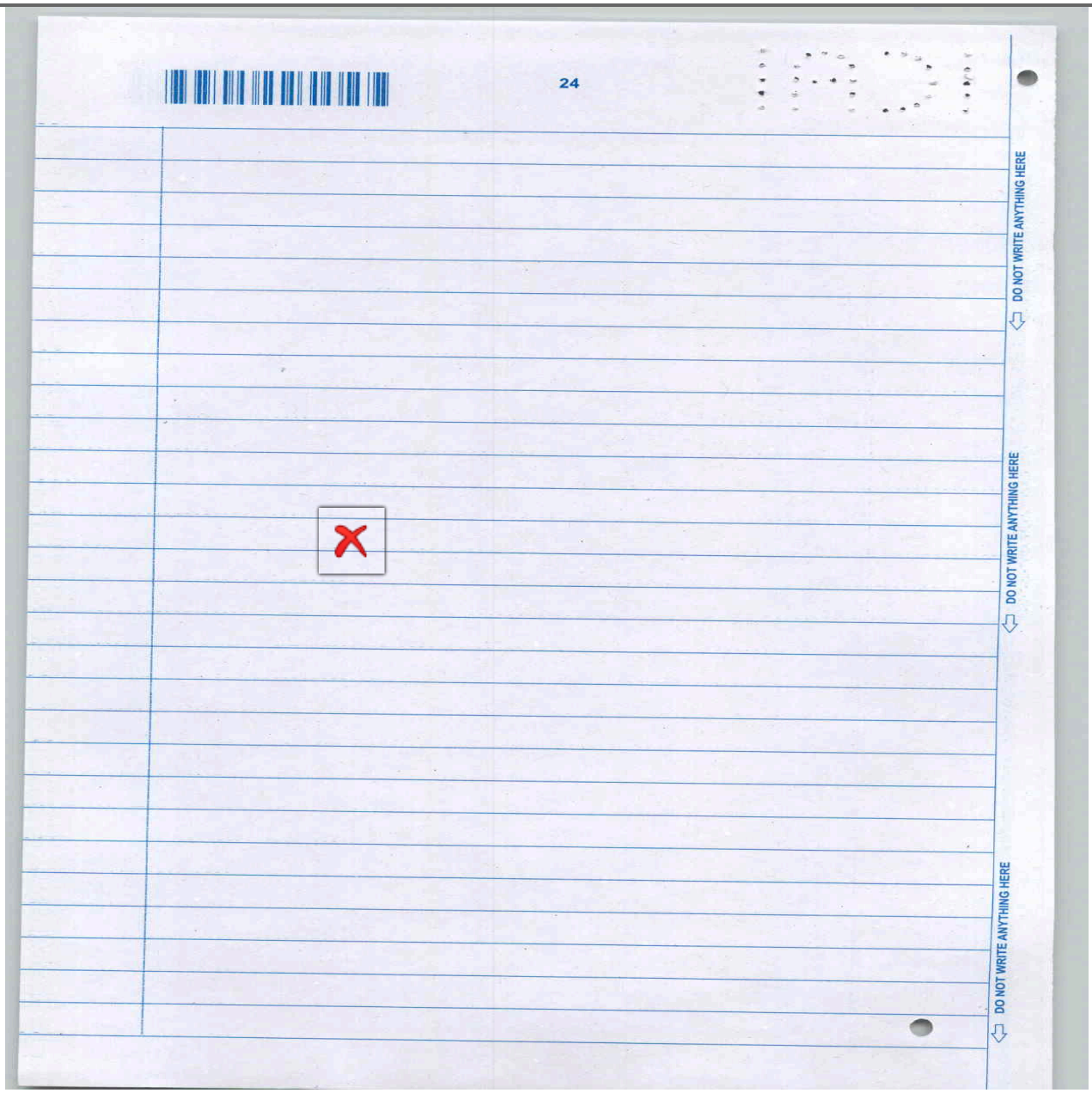
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|---|---|---|---|
| Code: | IN4CM429863 | Total Marks: | 70 |
| Subject : | 04 Cost and Management Accounting | Marks Obtained : | 42 |

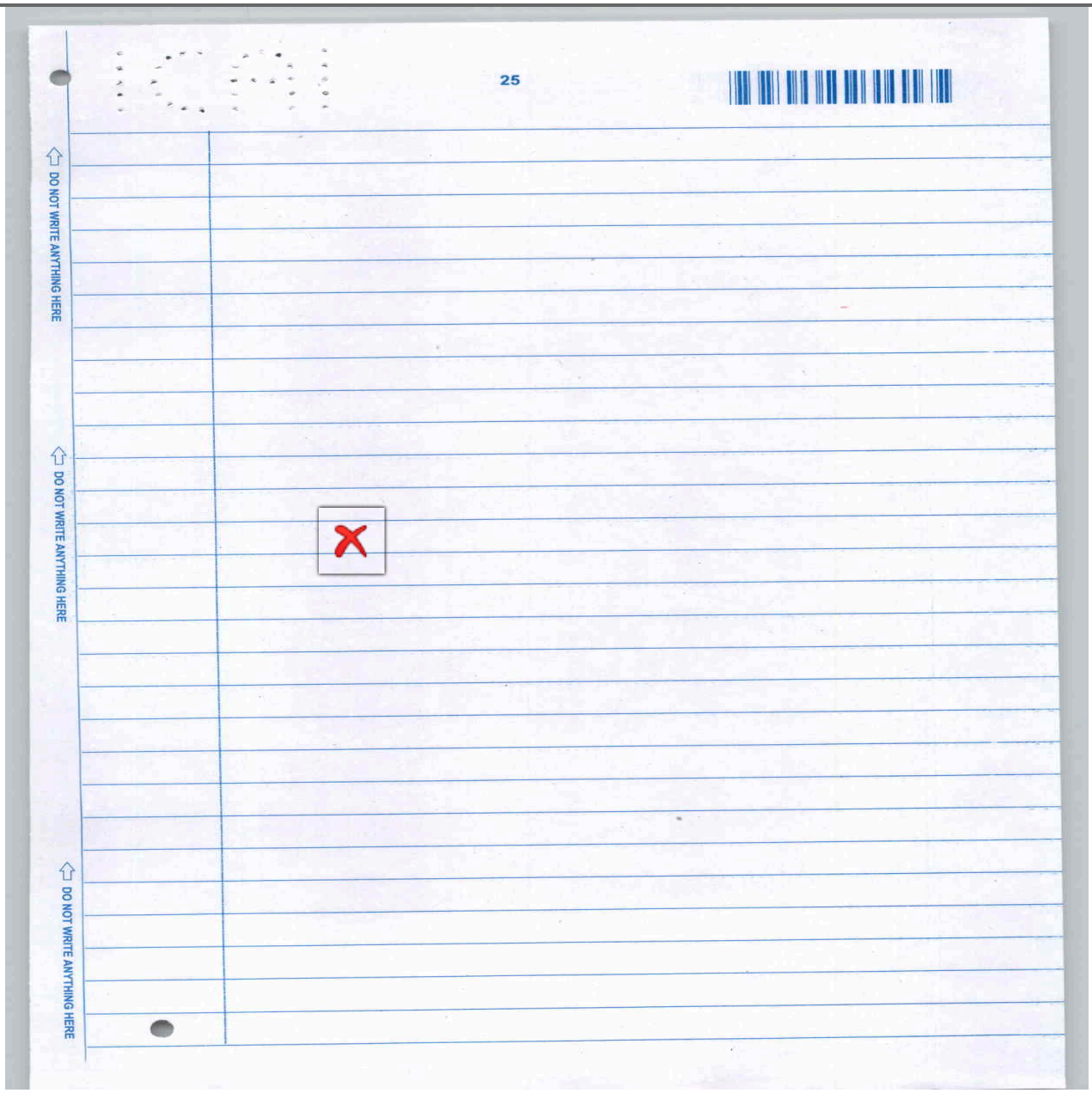


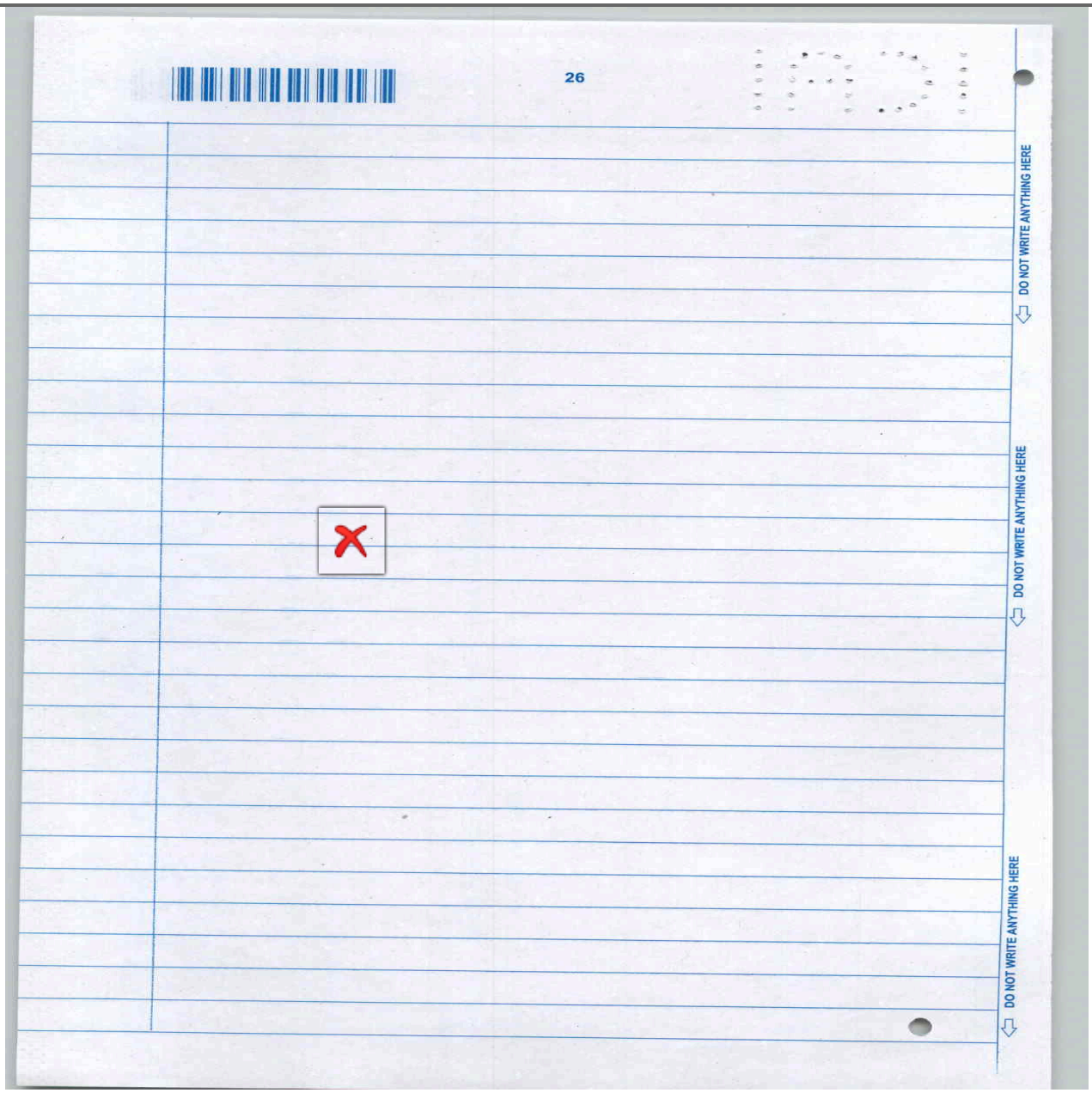
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| Code: | IN4CM429863 | Total Marks: | 70 |
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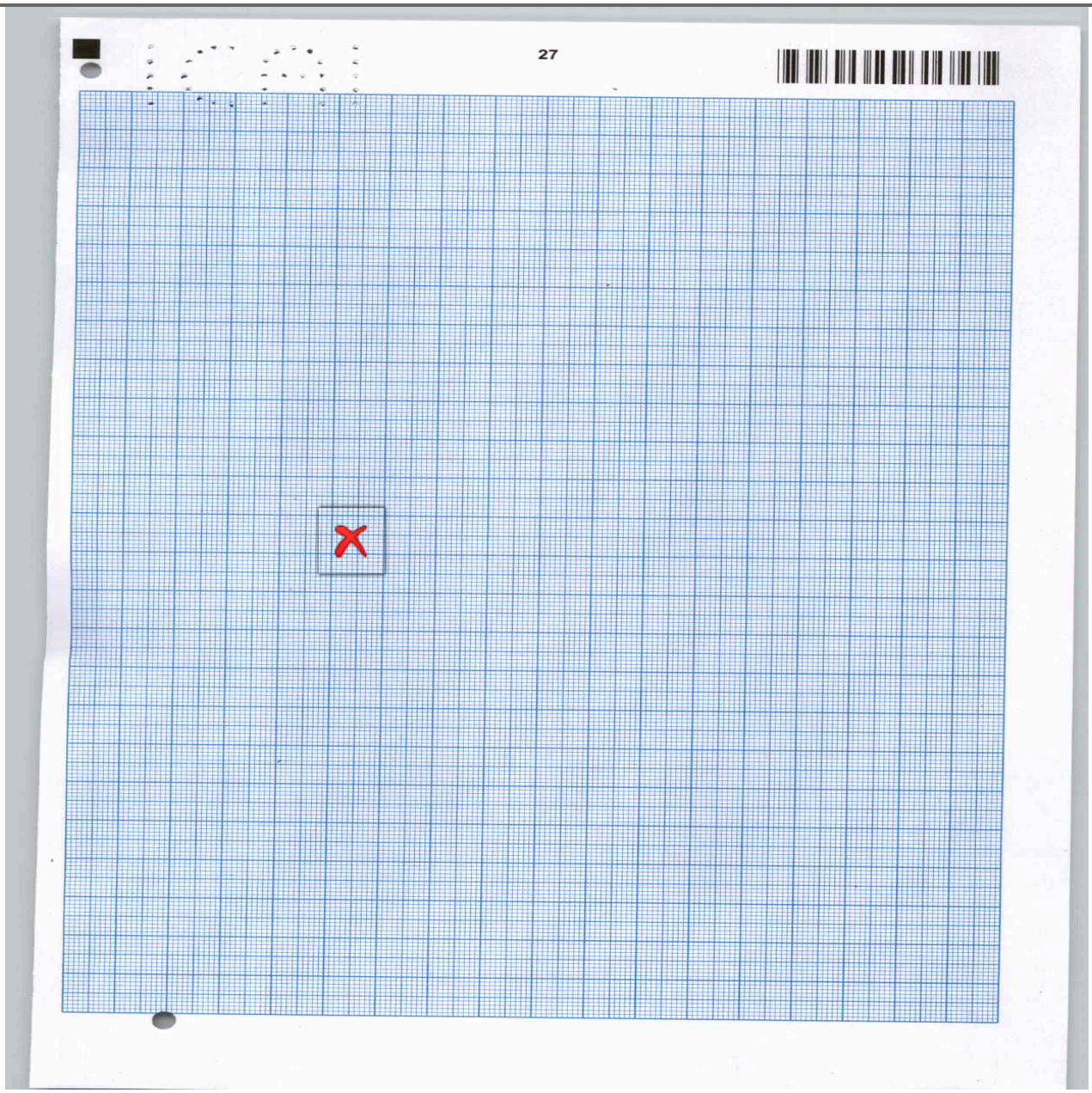



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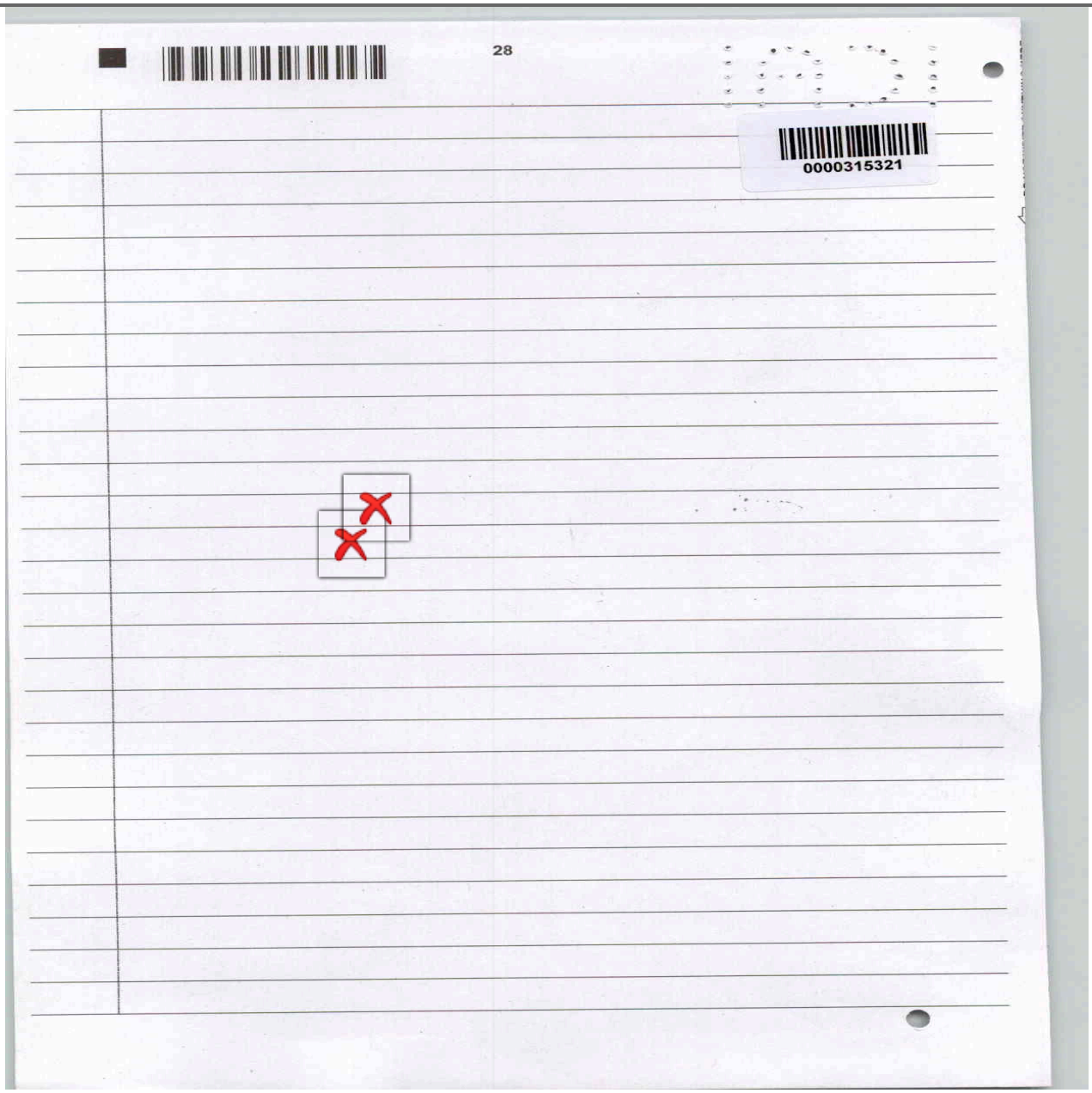

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27

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|---|---|---|---|
| Code: | IN4CM429863 | Total Marks: | 70 |
| Subject : | 04 Cost and Management Accounting | Marks Obtained : | 42 |



# The Institute of Chartered Accountants of India

Code: IN4CM429863
Subject : 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained : 42

## Result Overview

Awarded Marks: 42

Max Marks:70

NA Not Attempted  O Optional  M Marked

Q1_Compulsory (Score: 5/14 )

| Question No | Awarded Marks | Maximum Marks | Status |
|---|---|---|---|
| 1 | 5 | 14 | M |
| 1a | 5 | 5 | M |
| 1b | 0 | 5 | M |
| 1c | NA | 4 | NA |

Q2_Q6 (Score: 37/56 )

| Question No | Awarded Marks | Maximum Marks | Status |
|---|---|---|---|
| 2 | 10 | 14 | M |
| 2a | 6 | 10 | M |
| 2b | 4 | 4 | M |
| 3 | 8.5 | 14 | M |
| 3a | 7.5 | 8 | M |
| 3b | 1 | 6 | M |
| 4 | 14 | 14 | M |
| 4a | 9 | 9 | M |
| 4b | 5 | 5 | M |
| 5 | 4.5 | 14 | M |
| 5a | 1.5 | 8 | M |
| 5b | 3 | 3 | M |
| 5c | 0 | 3 | M |
| 6 | 0 | 14 | O |
| 6a | 0 | 5 | O |
| 6b | 0 | 5 | O |
| 6c | 0 | 4 | O |