



K26P 1243

Reg. No. : .....

Name : .....

**Second Semester M.Com. Degree (CBCSS – OBE – Reg./Supple./Imp.)**  
**Examination, April 2026**  
**(2023 Admission Onwards)**  
**CMCOM 02C07 : ADVANCED COST AND MANAGEMENT ACCOUNTING**

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any five** questions in this session. **Each** question carries **3** marks.

1. Introduce Fixed Overhead Calendar Variance, also write the formula for its computation.
2. Point out any three points of distinction between Marginal Costing and Absorption Costing.
3. Explain any three features of process costing.
4. Discuss any three objectives of Budgetary Control System.
5. What is material yield variance ?
6. What is meant by "equivalent production" ?

(5×3=15)

SECTION – B

Answer **any three** questions in this session. **Each** question carries **5** marks.

7. Vaishnavi Pharma Ltd. had the following details in units for the year ended 31.03.2026.

Diabetic Medicines	Stock at the beginning	Budgeted Sales
A	48,000	1,92,000
B	57,600	2,40,000
C	96,000	4,80,000

BP Medicines	Stock at the beginning	Budgeted Sales
X	9,600	96,000
Y	19,200	48,000

Stock of B and C is to keep at 10% above the existing level to maintain the budgeted sales. Stock level of A may be reduced by 20%. Stock of Y is proposed to raise by 24,000 units for export. Required : Prepare production budget for the year ending 31.03.2027

P.T.O.



8. From the following data, calculate units of Abnormal loss in each process :

	Process I	Process II	Process III
Input	2,000 units		
Output transferred to Next Process	1,700 units	1,200 units	800 units
Normal Loss(% of input)	10%	20%	25%

9. Pharma Ltd. provides you the following information :

	Budget	Actual
Output	21,600 Units	23,400 Units
Hours	43,200	47,520
Fixed Overheads	₹ 86,400	₹ 97,920

**Required :** Calculate Fixed Overhead Cost Variance.

10. What are functional budget and how does it benefit the business units ?
11. "Break-Even analysis provides different benefits to business organisations."  
Do you agree ? Justify. (3×5=15)

### SECTION – C

Answer **any three** questions in this session. **Each** question carries **10** marks.

12. Explain the following :

- Normal loss and its accounting treatment.
- Abnormal loss and its accounting treatment.
- Abnormal gain and its accounting treatment.

13. Budgeting is a powerful tool for control purpose. Evaluate the statement with special emphasis on objectives, pre-requisites, advantages and its limitations.

14. Define Marginal costing. Detail the managerial decisions taken through marginal costing in an organisation.



15. Modern Tiles Limited makes plastic tiles of standard size of 6" x 6" x 1/8". From the following information, you are required to calculate all direct material cost variances :

A standard mix of the compound required to produce an output of 20,000 square feet of tiles 1/8" thick is as follows :

<b>Material A</b>	600 kg	₹ 0.90 per kg
<b>Material B</b>	400 kg	₹ 0.65 per kg
<b>Material C</b>	500 kg	₹ 0.40 per kg

During December 2025, 8 mixes were processed and actual materials consumed were :

<b>Material A</b>	5,000 kg	₹ 0.85 per kg
<b>Material B</b>	2,900 kg	₹ 0.60 per kg
<b>Material C</b>	4,400 kg	₹ 0.45 per kg

Actual production for December was 6,20,000 tiles.

16. PQR Ltd. provides you the following information for the current year :  
Margin of safety ₹ 64,000, Total cost ₹ 41,600, margin of safety 6,400 units, Break-even sales 1600 units. During the next year, the selling price is expected to be reduced by 10% and variable costs and fixed costs are to be increased by 12.5% and 20% respectively.

**Required :**

- a) Estimate the profit, if sales units are expected to increase by 20%.  
b) Estimate the sales in order to increase profit by 20%.

(3×10=30)