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| **SESSION** | **Marh 2023** |
| **PROGRAM** | **master of commerce (M com)** |
| **SEMESTER** | **I** |
| **course CODE & NAME** | **DCM 6104 -cost analysis& control** |
| **CREDITS** | **4** |
| **nUMBER OF ASSIGNMENTS & Marks** | **02****30 Marks each** |

**ASSIGNMENT SET-1**

**1(a) Discuss the functional classification of cost.**

**Ans 1a.**

In cost accounting, costs are classified into various categories based on their functions within an organization. The functional classification of costs is important as it helps in understanding and analyzing the cost structure of a business. Here are the main functional

**1(b) What are the factors to be considered while installing good costing system ?**

**Ans 1b.**

When installing a good costing system, several factors should be considered to ensure its effectiveness and relevance to the organization's needs. Here are some key factors to consider:

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**2. Selling price per unit Rs.40**

**Variable cost per unit Rs.30**

**Fixed overheads Rs.40000**

**From the above given data calculate:**

**a. The breakeven sales in Rupees will be?**

**b. If sales are 20% above BEP, determine the net profit.**

 **Ans 2.**

To calculate the breakeven sales in rupees, we need to determine the breakeven point (BEP) first. The breakeven point is the level of sales at which total revenue equals total costs, resulting in zero profit.

The formula to calculate the breakeven point is:

BEP (in units) = Fixed overheads / (Selling price per unit - Variable cost per unit)

**3(a) Explain the cost analysis in making or buy decision.**

**Ans 3a.**

In the context of business decision-making, the "make or buy" decision refers to the choice between producing goods or services internally (making) or outsourcing them from external suppliers (buying). Cost analysis plays a crucial role in evaluating the financial implications

**3(b) What is difference between allocation &apportionment of overhead?**

**Ans 3b.**

In the context of cost accounting, both allocation and apportionment are methods used to distribute or assign overhead costs to various cost centers or products. While the terms "allocation" and "apportionment" are often used interchangeably, there is a subtle difference

**ASSIGNMENT SET-2**

**4(a) State advantages and disadvantages of Just in Time.**

**Ans 4(a)**

Just in Times gives advantages to the company and also to the customers of your company. JIT helps in reducing the cost of inventory, reduce payment timeline, reduce warehouse cost, reduce lead time, reduce planning complexity and improve the quality of products, etc.

**4b. The activity levels of two months are given for May month production are 1000 units and semi variable cost is Rs. 14000 and for June month Production are 1200 units and semi variable cost is Rs. 16000.Calculate the variable and fixed elements by using comparison method.**

**Ans 4b.**

To calculate the variable and fixed elements using the comparison method, we need to compare the activity levels of two months (May and June) and the corresponding semi-variable costs.

**5(a) Explain the Types of Environmental cost.**

**Ans 5(a)**

**Types of Environmental cost**

There has been a burden on various enterprises to minimise their environmental impact. To do this, enterprises are required to understand the concept of environmental costs. These costs can be divided into two classifications that are as below:

**5(b)Explain any 5 principles of Total Quality Management?**

**Ans 5(b)**

**Principles of Total Quality Management**

Total quality management consists of various vital principles executed together to accomplish business excellence. There are eight principles of TQM that were originated by an international organisation for controlling ISO quality standards. ISO allows

**6(a) What are the advantages of marginal costing?**

**Ans 6(a)**

**The following are the advantages of marginal costing:**

* Marginal costing is simple to understand and easy to operate.
* Closing stock is valued at marginal cost only. Thus, marginal costing shows the true valuation of closing stock by disregarding the illogical carry forward of fixed cost

**6b. If sales are Rs.10,00,000; variable costs are Rs.4,00,000 and fixed cost are Rs.4,80,000; calculate the P/V Ratio and Margin of safety.**

**Ans 6b.**

**To calculate the P/V (Profit-Volume) ratio, you can use the following formula:**

P/V Ratio = (Contribution / Sales) \* 100

Contribution can be calculated by subtracting the variable costs from the sales. In this case: