

INTERMEDIATE EXAMINATION

December, 2015

P-8(CAFM)
Syllabus 2012

Cost Accounting & Financial Management

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

*All questions are compulsory, subject to internal choices
as per instruction provided against each question.*

All workings must form part of the answers.

Wherever necessary, candidates may make suitable assumptions and clearly state them in the answer.

No present value factor table or other table will be provided along with this question paper.

I. Answer *all* sub-divisions: 2×10=20

- (a) A worker has produced 154 units in 10 hours instead of 15 hours. If the normal wages rate is ₹ 30 per hour find his remuneration under Rowan Premium Plan.
- (b) If current ratio is 2.4 : 1 and working capital is ₹ 25,20,000, find the amount of current assets and current liabilities.
- (c) G Ltd. issues 20,000, 12% debentures of ₹ 100 each at premium of 10 per cent. The debentures are redeemable after the expiry of a fixed period of 10 years at 20 per cent premium. Calculate the cost of debt after 30% tax.
- (d) Factory cost is ₹ 3,80,000 and cost of production is ₹ 4,10,000. Office and administrative overheads are 20% of factory overheads. What would be amount of prime cost? Assume no stock adjustments.
- (e) State two main differences between scrap and spoilage.
- (f) In the specimen cost sheet of a production centre, how would you arrive at the cost of sale from the prime cost?
- (g) The M-M hypothesis on capital structure assumes a perfect capital market. State 4 features of such a market assumed by the hypothesis.
- (h) A firm earns a contribution of ₹ 4,80,000. Its operating leverage and financial leverage are respectively 4 and 5. Find the firm's PAT if the effective tax rate is 25%.
- (i) If a factory worked 3 shifts/day for 365 days it can produce 8,03,000 units.
52 Sundays during the year are holidays. There are 12 festival holidays. Breakdown of machine normally happens for 6 days. Labour shortage/Inventory taking etc. consume 8 days per annum. In the forthcoming year as well as in future, the market share of the company's product will be sufficient to demand only lesser quantities due to competition. Hence it is estimated that two shift working will be enough for the future. Determine the practical capacity and the normal capacity for the forthcoming year.

Please Turn Over

