



'সমানো মন্ত্র: সমিতি: সমানী'

UNIVERSITY OF NORTH BENGAL

B.Com. Honours Part-II Examination, 2022

B.COM.

PAPER-2H3

PRODUCTION MANAGEMENT AND COST ACCOUNTING

Time Allotted: 4 Hours

Full Marks: 100

The figures in the margin indicate full marks.

PRODUCTION MANAGEMENT

(MARKS: 60)

GROUP-A

Answer any two of the following questions

20×2 = 40

1. Explain the importance of Production Planning and Control (PPC). How could an effective Management Information System contribute to PPC? 12+8
2. (a) Why control of material is an important factor of a production house? ABC analysis is one of the effective tools for control of materials — Discuss. 12+4+4
(b) Moonbeam Ltd. furnished the following information:
Annual consumption 12,000 units (360 days)
Cost per unit Rs. 15
Ordering Cost Rs. 120
Inventory Carrying Charge 24%
Normal lead time- 15 days
Safety stock- 30 days consumption
Calculate:
(i) Economic Order Quantity
(ii) When should the order be placed?
3. (a) Discuss the functions of a Production Manager. 10+10
(b) Why is Manpower Planning so important?
4. What is Idle time? Explain the causes leading to idle time and its treatment in cost accounts. 4+8+8

GROUP-B

5. Answer any *two* questions: 5×2 = 10
- (a) What are the causes of labour turnover?
 - (b) Write a short note on Perpetual Inventory System.
 - (c) Discuss the process layout.
 - (d) Is there any relation between job evaluation and incentive schemes?

GROUP-C

6. Answer any *five* questions: 2×5 = 10
- (a) Write the formula of Halsey Premium Plan.
 - (b) What is Idle Capacity?
 - (c) What is maximum level of materials?
 - (d) Give two examples of carrying cost of materials.
 - (e) What is Motion Study?
 - (f) What is EOQ?
 - (g) What is Job Evaluation?
 - (h) Define Production Management.

COST ACCOUNTING

(MARKS: 40)

GROUP-D

Answer any two of the following questions

10×2 = 20

7. The manufacture of Product 'M' requires three distinct process. On completion the product is passed from Process-III to finished stock. During the month of December 2021, the following information was obtained: 10

Elements of Costs	Total	Process		
	Rs.	I	II	III
Direct Material	26,000	15,000	11,000	-
Direct Labour	26,500	12,500	6,000	8,000
Direct Expenses	8,000	3,000	-	5,000
Production Overhead	79,500	-	-	-

Production overhead is absorbed by process as a percentage of direct wages. Production during the period was 1000 kg. There was no stock of raw materials or work-in-progress at the beginning or at the end of the month.

Prepare the Process Accounts and Finished Stock Account.

8. The following is the result of operation of Lion Ltd. for the year 2020 and 2021 2+2+2+2+2

Year	Sales (Rs.)	Profit (Rs.)
2020	1,20,000	9,000
2021	1,40,000	13,000

From the above information calculate the following:

- (i) P/V Ratio
- (ii) BEP at sales
- (iii) Amount of Profit if sales volume is Rs. 1,10,000
- (iv) Sales required to earn a profit of Rs. 20,000
- (v) Margin of Safety for 2021.

9. (a) Write the importance of Cost Accounting. 6+4

(b) What are the assumptions of Break Even Analysis?

10. The following are the particulars in respect of Contract No. X for the year ended 31st December 2021 10

	Rs.
Materials sent to site	1,50,000
Wages paid	1,80,000
Wages outstanding	3,000
Other expenses	26,000
Plant sent to site	2,00,000
Materials returned to stores	5,000
Unconsumed materials	8,000
Materials stolen from site	10,000
Work uncertified	11,000
Cash received	3,60,000

Depreciation is charged on Plant @10% p.a. and cash has been received to the extent of 90% of work certified.

Prepare Contract Account.

GROUP-E

11. Answer any *two* questions: 5×2 = 10

(a) Distinguish between Allocation and Apportionment of Overhead.

(b) From the following particulars, calculate:

- (i) Material Cost Variance
- (ii) Material Usage Variance

Materials	Standard		Actual	
	Quantity (kg)	Price (Rs.)	Quantity (kg)	Price (Rs.)
A	10	8	10	7
B	8	6	9	7

- (c) State the objectives of calculation of P/V ratio.
- (d) Write a note on Job Costing.

GROUP-F

12. Answer any *five* questions:

2×5 = 10

- (a) Give two examples of Administrative Overhead.
- (b) What is Break-even point?
- (c) Distinguish between direct and indirect materials.
- (d) What is margin of safety?
- (e) What is notional profit in contract costing?
- (f) Write the names of two industries where process costing is applied.
- (g) What is Contribution?
- (h) What is Overhead?

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