



US – 508

**VI Semester B.Com. Examination, May 2017**  
**(Semester Scheme) (Repeaters)**  
**(2014-15 and Onwards)**  
**COMMERCE**  
**Paper – 6.6 : Elective Paper – IV**  
**Accounting for Business Decision and IFRS/Reporting**

Time : 3 Hours

Max. Marks :100

**Instruction :** Answer should be written either **completely** in **English** or **Kannada**.

**SECTION – A**

Answer **any ten** of the following sub questions. **Each** question carries **two** marks.

**(2×10=20)**

1. a) Define Marginal Costing.
- b) What do you mean by contribution ?
- c) What is P/V ratio ?
- d) Give the meaning of variance analysis.
- e) Define standard costing.
- f) What is material cost variance ?
- g) State any two features of budgetary control.
- h) What is flexible budget ?
- i) What is IFRS ?
- j) What is the need of Indian GAAP ?
- k) What is financial statement ?
- l) Define corporate financial reporting.

**P.T.O.**



## SECTION – B

Answer **any four** of the following questions. **Each** question carries **8** marks. (8×4=32)

2. Briefly explain the objectives of the corporate financial reporting.
3. List out various standards issued by IASB.
4. From the following data relating to a company calculate :
  - a) Amount of fixed cost
  - b) Breakeven point in quantity
  - c) Sales required to earn a profit of 35,000

Period	Total Sales (Rs.)	Profit/Loss (Rs.)
I Year	7,00,000	Loss 12,000
II Year	9,00,000	Profit 10,000

5. From the following information compute :

- a) Material cost variance.
- b) Material price variance
- c) Material usage variance

Standard quantity of materials per unit 4 kgs,

Standard price per kg of materials Rs. 50.

Actual production 1,000 units.

Materials actually used 4,300 kgs.

Actual purchase price of material per kg Rs. 55.

6. The expense for the production of 5,000 units in factory are given as follows :

Particulars	Amount per unit
Material	50
Labour	20
Variable overheads	15
Fixed overhead (50,000)	10
Administrative expenses (5% variable)	10



Selling expenses (80% variable)	6
Distribution expenses (90% variable)	5
<b>Total cost</b>	<b>116</b>

Prepare a budget for the production of 7,000 units.

### SECTION – C

Answer **any three** of the following questions. **Each** question carries **16** marks.

(16×3=48)

7. A manufacturing company is expecting to have Rs. 16,000 cash in hand on 1-4-2016 and it requested you to prepare cash budget for the three months, April to June 2016.

The following information supplied to you.

Month	Sales (Rs.)	Purchases (Rs.)	Wages	Expenses
February	35,000	22,000	3,000	2,500
March	40,000	28,000	4,500	3,000
April	48,000	30,000	4,500	3,500
May	50,000	34,000	5,500	4,500
June	60,000	31,000	7,000	4,500

#### Other information :

- a) Period of credit allowed by supplier is two months.
  - b) 25% of sales are for cash and the period of credit allowed to customers is one month.
  - c) Delay in payment of wages and expenses one month.
  - d) Income tax Rs. 14,000 is to be paid in June 2016.
8. From the following particulars calculate :
- a) Breakeven point
  - b) P/V Ratio
  - c) Margin of safety



- d) Sales required to earn a profit of Rs. 2,00,000  
 e) Variable cost for two years  
 f) Profit when sales are Rs. 12,00,000

Year	Sales (Rs.)	Total cost (Rs.)
2015	10,00,000	10,50,000
2016	14,00,000	12,50,000

9. The information regarding composition and the weekly wage rates of labour force engaged on a job scheduled to be completed in 50 weeks are as follows :

	Standard		Actual	
	No. of workers	Weekly wage rate per worker	No. of workers	Weekly wage rate per workers
Skilled	150	120	140	140
Semi-skilled	90	80	60	100
Unskilled	120	60	160	40

The work was completed in 52 weeks. Calculate :

- a) Labour cost variance  
 b) Labour rate variance  
 c) Labour efficiency variance  
 d) Labour mix variance.
10. The following figures obtained from records of Sahana Ltd.

	(Rs.)
Sales	12,00,000
Fixed overhead	1,50,000
Variable overhead	2,50,000
Direct wages	1,20,000
Direct materials	80,000

From the above figure determine breakeven point using Breakeven Chart.