



V. M. SALGAOCAR INSTITUTE
of
INTERNATIONAL HOSPITALITY EDUCATION

B.Sc. International Hospitality Management

Type: Semester End Assessment

Date: 25th April, 2022

Term: 3

Total Marks: 25

Time Duration: 02 Hours

Course Name: Management Accounting: Costing & Decision Making

Course Code: IHOH105

Instructor: Prof. Irfan Mirza

CMA (Ms.) Shameem Memon

This paper contains 03 pages in addition to the cover page.

Name of the Student: _____ Student Number: _____ Class: _____

Marks Obtained: _____ Faculty Signature: _____ Invigilator Signature: _____

Main Answer sheet	Number of Supplements	Total number of Answer sheets
01		

- Carefully read each question at the outset of the paper. All queries must be addressed to the faculty within the first 10 minutes of the examination.
- Students are expected to maintain complete silence in the examination hall and avoid interacting or communicating with their peers.
- Students must enter the examination hall 10 minutes prior to the scheduled time of the examination.
- Students will carry only their essential Books, notes, pens, pencils, calculators and scales into the examination hall.
- Bags, eatables, drinks, etc. will not be allowed inside the hall with the exception of a bottle of water.
- Cell phones and beeping watches are prohibited in the examination hall. The usage of electronic data banks is prohibited.
- Students will answer the examination with only blue/ black ball point pens unless informed differently by faculty. Avoid usage of green or red ink pens on the answer sheet.
- Dictionaries will not be allowed into examination hall unless informed differently by faculty.
- Students will not be permitted to exit the examination hall 30 minutes prior to end time of an examination. A student leaving the room will have to return his/her paper to the faculty and the paper will be considered as completed.
- Students may be permitted to take a break under exceptional circumstances only if accompanied by an invigilator.

Answer the following questions

Q.1. From the following details prepare cost sheet of Best Food Ltd for the year ended 31.3.2021. **(05 marks)**

Particulars	Amount (Rs.)
Opening stock of Raw Material	29000
Purchases of Raw Material	274000
Closing stock of Raw Material	19000
Direct Wages	110000
Direct Expenses	26000
Factory Expenses	90% of Direct Wages
Office and Administrative Overheads	25% of Works Cost
Selling and Distribution Overheads	54000
Opening Stock of Finished Goods	26000
Closing Stock of Finished Goods	28000
Profit on Cost of Sales	20%

Q.2.a) The following particulars are related to the production department of a factory for the month of March, 2022: **(03 marks)**

Particulars	Amount or Hours
Materials Used	Rs. 160000
Direct Wages	Rs. 144000
Direct Labour Worked	40000 Hours
Hours of Machine Operation	50000 hours
Overhead Charges allocated to the department	Rs. 180000

Calculate Overhead absorption rate on the basis of:

- 1) Direct Labour Cost 2) Direct Labour Hour 3) Machine Hour

Q. 2.b) Calculate P/V ratio from the following information:

(02 Marks)

Particulars	Years	
	2020	2021
Sales (Rs.)	300000	400000
Profit (Rs.)	50000	80000

Q. 3) Paris Ltd provides you the following data:

(05 Marks)

Selling Price per unit	Rs.80
Variable Cost per unit	Rs.60
Fixed Cost per annum	Rs. 30000
Actual Sales	Rs. 190000

Calculate:

- Contribution
- Profit Volume Ratio
- Break event sales (Rs. and Units)
- Margin of Safety (Rs.)

Q. 4) Better Food Company Ltd has capacity to produce 100,000 pizzas in a month for a fixed Cost of Rs. 1,00,00,000. The variable cost per pizza is Rs.500. The current demand is for 60,000 pizzas. The Selling price per pizza is Rs. 800.

It is approached by a Company for an order of 20,000 pizzas at selling price of Rs. 600 each.

You are required to:

- Find out the relevant cost in the above case.
- Suggest whether Better Food Company Ltd. should accept or reject the new order and also explain the reason for the same with calculations

(05 Marks)

Q. 5) Estimated volume of sales of Manora restaurant is Rs.120,000 and the number of units sold are 2000. The variable cost is Rs.54, 000. (05 Marks)

Calculate the following:

- a) Contribution and contribution margin
- b) Total fixed cost
- c) B.E.P
- d) B.E.S
- e) Calculate the volume of sales to be made, if the desired profit is Rs.180,000
