

Dr. Babasaheb Ambedkar Open University
Term End Examination January -2026

Course	: Diploma Course	Date	: 03/03/2026
Subject Code	: DACA-04	Time	: 11:30am to 01:45pm
Subject Name	: Variance Analysis and other Aspects of Cost Accounting	Duration	: 02.15 Hours
		Max. Marks	: 70

Q-1 State the meaning of cost standards and factors to be kept in mind while setting standards? **14**

OR

Answer the followings:

(1) Explain Material Yield Sub-Variance with example.

(2) A Ltd. has adopted standard costing furnishes the following information:

Standards:

Materials for 70 kg. Finished products 100 kg.

Price of materials Rs. 1 per kg.

Actual:

Output 2,10,000 kg.

Materials Used 2,80,000 kg.

Cost of Materials Rs. 2,52,000

Calculate:

(1) Material Usage Variance

(2) Material Price Variance

(3) Material Cost Variance

Q-2 Give meaning and Proforma of Reconciliation statement. **14**

OR

The following details are available from the records of Naaz Ltd. engaged in manufacturing Article 'A' for the week ended 28th September.

The standard labour hours and rates of payment per article 'A' were as follows:

Types	Hours	Wage Rate Rs.	Total Amount Rs.
Skilled	10	3.00	30
Semi-skilled	8	1.50	12
UnSkilled	16	1.00	16
			58

The actual production was 1,000 articles 'A' for which the actual hours worked and rates are given below:

Types	Hours	Wage Rate Rs.	Total Amount Rs.
Skilled	9,000	4.00	36,000
Semi-skilled	8,400	1.50	12,600
UnSkilled	20,000	0.90	18,000
			66,600

Calculate following variances:

(a) Labour Cost Variance

(b) Wage Rate Variance

(c) Labour Efficiency Variance

(d) Labour Mix Variance

Q-3 Discuss in detail Fixed Factory Overhead Variances. **14**

OR

Answer the followings;

(1) The data from the Budget and Actual data of a factory for January 2024, for Super Ltd. are as follows:

Budgeted production 300 units

Budgeted variable overheads Rs. 6,000
 Standard time for production of one unit: 20 hours
 Actual production during the month: 250 units
 Actual hours during the month 7,000 hours
 Actual variable overheads Rs. 6,300
 Calculate variable overhead variances from the above data.

(2) Following information is about production of Pestanji Ltd. for February, 2023.
 'On the basis of this information, find out (1) Fixed overhead variance,
 (2) Expenditure variance and (3) Volume variance.

Budgeted fixed overheads Rs. 20,000
 Budgeted production 10,000 units
 Actual production during the month 10,500 units
 Actual fixed overheads during the month Rs. 20,800

Q-4 Discuss in detail Sales Variances.

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OR

Figures of sales by Sahil Ltd. in March, 2021 are as follows:

	Standard			Actual		
	Quantity (units)	Price Rs.	Amount Rs.	Quantity (units)	Price Rs.	Amount Rs.
A	1,000	12	12,000	1,200	13	15,600
B	600	15	9,000	400	14	5,600
Total	1,600		21,000	1,600		21,200

Calculate:

- (1) Sales Value Variances.
- (2) Sales Price Variances
- (3) Sales Volume Variances
- (4) Sales Mix Variances

Q-5 **Write Short Notes (Any two)**

14

1. Material Mix Variances
2. Labour Efficiency Variances
3. Variable Overhead Variances
4. Idle Time Variance
5. Profit variances
