

CA Intermediate (New Syllabus)

Cost & Management Accounting (Paper 3)

December, 2021 - Exam Paper Analysis

Disclaimer

The below mentioned views are the personal views of CA Rakesh Agrawal, Pune. It may or may not tally with ICAI views. The purpose is just to provide some guidelines to students till the time ICAI releases its own suggested answers.

Important Note : A student is supposed to download and take a printout of original question paper. Read each question very carefully first and then read the analysis below. You cannot understand the author's view without understanding the question itself. These guidelines are meant only for the students of CA Rakesh Agrawal Sir.

Question wise Comments

Que. 1(a) : [5 Marks]

Reference : Chapter 2 - Material Cost - Inventory Turnover Ratio

Ref. Question : Q.42/55 - Volume I of our Version 3 notes.

Comment : Very Simple Question. Bonus marks.

Que. 1(b) : [5 Marks]

Reference : Chapter 15 - Budget

Ref. Question : Q.22/165 - Volume III of our Version 3 notes.

Comment : Simple Question.

Que. 1(c) : [5 Marks]

Reference : Chapter 3 - Labour Cost

Ref. Question : Q.28/90 & 47/101 - Volume I of our Version 3 notes.

Comment : Simple Question with mathematical equation solving

Que. 1(d) : [5 Marks]

Reference : Chapter 10 - Process Costing

Ref. Question : Q.14/87 & Q.15/87 - Volume II of our Version 3 notes.

Comment : Simple Question

Hint : Abnormal Gain = 150 units

Que. 2(a) : [10 Marks]

Reference : Chapter 6 - Cost Sheet

Ref. Question : Q.17/195 & Q.19/197 - Volume I of our Version 3 notes.

Comment : Simple Question.

Hint : Cost sheet is to be prepared for September, 2021 i.e. for one month only. Take depreciation for a month only. There is only one stock adjustment and hence the question is simple.

Que. 2(b) : [10 Marks]

Reference : Chapter 13 - Marginal Costing

Ref. Question : Q.36/72 - Volume III of our Version 3 notes.

Comment : Simple Question with little mathematics

Que. 3(a) : [10 Marks]

Reference : Chapter 10 - Service Costing

Ref. Question : Q.10/48 & 46/67 - Volume II of our Version 3 notes.

Comment : It is a moderate question.

Hint : You need to calculate equivalent number of employee months for a bus p.a.

Que. 3(b) : [10 Marks]

Reference : Chapter 5 - Activity Based Costing

Ref. Question : Q.3/167 & Q.18/174 - Volume I of our Version 3 notes.

Comment : Simple question.

Que. 4(a) : [10 Marks]

Reference : Chapter 8 - Contract Costing

Ref. Question : Q.9/27 & Q.24/36 - Volume II of our Version 3 notes.

Comment : Moderate Question.

Hint : 80% work is completed and only 70% work is certified. It means, 10% work is uncertified. Uncertified work is to be valued at **Cost**. Similarly, opening balances should be considered while preparing Contract Account.

Que. 4(b) : [5 Marks]

Reference : Chapter 12 - Cost Ledger Accounting

Ref. Question : Q.34/21 & Q.50/52 - Volume III of our Version 3 notes.

Comment : Very simple question.

Hint : Start with profit as per cost accounts and reach to the profit as per financial accounts.

Que. 4(c) : [5 Marks]

Reference : Chapter 2 - Material Cost (Theory)

Ref. : Page 26 - Volume I of our Version 3 notes.

Que. 5(a) : [10 Marks]

Reference : Chapter 14 - Standard Costing

Comment : Question is simple but little tricky. No such question is available in ICAI module. But, it can be solved logically.

Hints : (a) Budgeted / Standard data is given for the year and actual data is given for a month. (b) Semi-variable overheads are required to be split into Fixed & Variable OH and merge them with the existing Fixed & Variable OH to calculate Std. Recovery Rates. (c) The data relating to labour hours is not available, hence you cannot calculate SRR/hr. It is not required also to solve the question. (d) Each month has 20 working days and during the month there was one public holiday. Treat this as an extra holiday than the planned holidays. It means, actual number of working days are $(20 - 1) = 19$ days.

Que. 5(b) : [10 Marks]

Reference : Chapter 4 - Overheads

Ref. Question : Q.36/129 & 37/130 - Volume I of our Version 3 notes.

Comment : Simple question

Que. 6 : [5 Marks each x 4 Ques. = 20 Marks]

It is a theory question for those who love to answer theory.

You have to solve 4 out of 5 questions.

You will find the answers in our classroom notes and also in ICAI module.

Important Note :

Detailed answers by CA Rakesh Agrawal Sir in his own format with notes, comments and assumptions will be released after studying the Suggested Answers of ICAI.

It is done to avoid the conflict of opinion between the Rakesh Sir's view and ICAI view.

This will avoid unnecessary confusion in the minds of students if the two approaches are different. It is better to wait and watch the ICAI view.

Thank God. This time, the errors in framing the question itself is avoided by ICAI.

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