



Name :
Roll No. :
Invigilator's Signature :

CS / B.TECH (APM) / SEM-5 / APM-501 / 2010-11

2010-11

APPAREL COSTING

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

Note : Graph sheet is to be supplied by institution.

GROUP - A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for the following : $10 \times 1 = 10$

i) Which costs can be identified with and allocated to cost centres or cost units ?

a) Material costs b) Direct labour costs

c) Indirect labour costs d) None of these.



ii) Where similar articles are manufactured in batches either for sale or for use within the undertaking is called

- a) Job costing
- b) Multiple costing
- c) Batch costing
- d) Both (a) and (b).

iii) Which costing system is differentiating between fixed costs & variable costs and the effect on profit of the changes in volume ?

- a) Absorption costing
- b) Standard costing
- c) Uniform costing
- d) None of these.

iv) Pick the correct full form of GMROI :

- a) Gross Margin Return On Inventory
- b) Garment Manufacturing Resources & Object Index
- c) Gross Margin Realization On Inventory
- d) Garment Marketing & Review Of India.



- v) Insurance & Property taxes are included in
- a) Variable cost b) Fixed cost
- c) Total cost d) both (b) and (c).
- vi) In garment industry which costing system is followed ?
- a) Operating costing b) Multiple costing
- c) Batch costing d) Job costing.
- vii) In the Break-even analysis graph the Total Cost Curve runs parallel to
- a) Total Revenue Curve b) Fixed Cost Curve
- c) Variable Cost Curve d) None of these.
- viii) The total of three elements like, indirect labour, indirect materials and expenses is called
- a) General overhead b) Factory overhead
- c) Total cost d) none of these.



ix) In case of a perfectly Inelastic Demand Curve (Zero Elasticity), the angle of intersection between Price Curve & Demand Curve is

- a) 45°
 - b) 90°
 - c) 30°
 - d) 60°.
- x) “Marginal Costs are not affected by the changes in Fixed Cost.”
- a) True
 - b) False

GROUP - B

(Short Answer Type Questions)

Answer any *three* of the following. 3 × 5 = 15

- 2. Describe a designer’s role to preparation of a garment costing by showing a chart in garment industry. 2 + 3
- 3. Define and explain the terms (a) Cost units and (b) Cost Control. 2½ + 2½



4. Write Short notes on

a) Margin of safety in the context of Break-even analysis curve

b) CMT vs LDP. $2\frac{1}{2} + 2\frac{1}{2}$

5. What do you mean by Revenue and Marginal Costs ? Briefly explain a typical Marginal Cost Curve and derive the mathematical expression of Marginal Cost. $2 + 3$

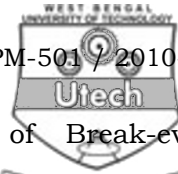
GROUP - C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

6. In garment industry which factors influences the designers to make the profitability ? Describe the various points that should be considered before to design a system of costing in a garment factory. $5 + 10$

7. What is Accounting ? Write about the main branches of accounting. Differentiate between Cost Accounting and Financial Accounting. $2\frac{1}{2} + 2\frac{1}{2} + 10$



8. Illustrate the mathematical derivation of Break-even quantity. What do you mean by 'Profit Volume Ratio'?

The 'Penguin Clothing Company' manufactures Men's Knitted T-shirt which it sells at Rs. 220/- each. The variable cost of production per unit is Rs. 60/-, while the fixed cost is Rs. 80,000/- per year. Profit per unit of sales is Rs. 120/-.

Calculate the following is

- a) Profit-Volume Ratio
- b) Break-even Sales (quantity)
- c) Break-even Sales (quantity) if the existing selling price is increased by 20%
- d) Break-even Quantity of Production
- e) Margin of safety at the production level of 12000 pcs per year.

$$2\frac{1}{2} + 2\frac{1}{2} + 10$$



9. What do you mean by Apparel Marketing Cost Analysis ?
What is Variance Analysis for Marketing Cost ? Mention the significance of Effective variance & Price variance. Briefly explain different methods of Apparel Costing. 2 + 2 + 4 + 7
10. Mention Law of Demand and Supply. Illustrate the mathematical expression of Elasticity of Demand & Elasticity of Supply. Explain 'Perfectly Elastic Demand', 'Perfectly Inelastic Demand', 'Relatively Elastic Demand' & 'Relatively Inelastic Demand' with suitable graphical representation. 2 + 3 + 10

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