

**M.A. IN APPAREL PRODUCTION
MANAGEMENT (MAAPM)**

Term-End Examination

June, 2013

**MFMI-015 : COSTING AND PRICING OF
APPAREL**

Time : 3 hours

Maximum Marks : 100

Note : There are two parts in the question paper. Both parts are compulsory. Internal choices are indicated.

PART-A

(Attempt any four.)

1. Write notes on the following : 5x3=15
 - (a) Direct costs
 - (b) Backward costing
 - (c) Overhead costs
2. What do you understand by standard costing ? 15
What are the factors affecting the setting of standards ?
3. What are the various pricing policies an exporters may follow ? What are the factors affecting an exporters pricing decision ? 15
4. What steps must be taken before setting standards for different elements of costs ? 15
5. How do you calculate the material cost of the garment ? Explain with the help of an example. 15

PART-B

(All questions are *compulsory*.)

6. What is a break even point ? 20

A factory producing shirts has the capacity to produce 500 shirts per month. The marginal cost is Rs. 200 per shirt and each shirt is sold for Rs. 250. Fixed overheads are Rs. 12000 per month. Calculate the break even points for output and show what will be the profit if output is 90% of capacity ?

7. What steps must be taken before setting standards for different elements of cost ? Calculate standard labour time for machine from the following data : 20

Standard batch size 100 Pcs

Setting up time 64 min

Operating time 2 min

Fixing job on machine 2 min

Cutting time 10 min

Removing job from machine 3 min.

Allow 10% of total operation time for inspection during process and allow further 5% of total time for fatigue.
