

<b>CMA</b>		<b>CA R. K. Mehta</b>
<b>Test - 1</b>		
<b>Time Allowed : 50 min.</b>	<b>December 9, 2018</b>	<b>Total Marks :30 Marks</b>

**Q.1:** Operating Costing v/s Operation costing. **(5 Marks)**

**Q.2:** In order to develop tourism, Reliable Airlines has been given permit to operate flights station A and B. The airline operates a single aircraft of 160 seats capacity. The normal occupancy is estimated at 60% throughout the year. The fare is ₹ 7,000. The costs of operation of flights are: -

<b>Fixed Cost</b> - Aircraft lease ₹ 3,50,000 per flight - Crew payment ₹ 72,000 per flight - Fuel ₹ 95,000 per flight	<b>Variable Cost</b> - Commission 5% of fare - Food ₹ 130 per passenger (non-chargeable)
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You are **required**: -

- (i) Calculate net operating income per flight.
- (ii) It is believed that the occupancy will increase to 108 passengers per flight if the fare is reduced to ₹6,720. Advise whether this proposal should be implemented.
- (iii) A travel agency proposes to charter the aircraft by paying lump sum of ₹ 5,00,000 to the Reliable Airlines for one flight. It is also agreed that the expenditure of fuel and food will be borne by the travel agency. Is this offer acceptable? **(5 Marks)**

**Q.3:** A Mini-Bus, having a capacity of 32 Passengers, operates between two places – ‘A’ and ‘B’. The distance between the Place ‘A’ and Place ‘B’ is 30 km. The Bus makes 10 round trips in a day for 25 days in a month. On an average, the Occupancy Ratio is 70% and is expected throughout the year. The details of other expenses are as under: -

Insurance - ₹ 15,600 per annum	Repairs - ₹ 4,800 per quarter
Garage Rent - ₹ 2,400 per quarter	Salary of Operating Staff - ₹ 7,200 per month
Road Tax - ₹ 5,000 per annum	Tyres and Tubes - ₹ 3,600 per quarter

Diesel: (one Litre is consumed for every 5 km) 13 per Litre Oil and Sundries 22 per 100 km run Depreciation 68,000 per annum. Passenger Tax @ 22% on Total Taking is to be levied and Bus Operator requires a Profit of 25% on Total Taking.

**Prepare** Operating Cost Statement on annual basis and find out the Cost per Passenger Kilometer and One-Way Fare per Passenger. **(10 Marks)**

**Q.4:** A company runs a holiday home. For this purpose, it has hired a building at a rent of ₹ 10,000 per month along with 5% of total takings. It has three types of suites for its customers, viz., single room, double rooms and triple rooms. Following **information** is given:-

Types of suite	Single Room	Double Room	Triple Room
<b>Number</b>	100	50	30
<b>Occupancy percentage</b>	100%	80%	60%

The rent of double room’s suites is to be fixed at 2.5 times of the single room suite and that of triple rooms suite as twice of the double rooms suites. The **other expenses** for the year 2014 are as follows:

Staff salaries - ₹ 14,25,000	Laundry charges - ₹ 80,500
Room attendants’ wages - ₹ 4,50,000	Interior decoration - ₹ 74,000
Lighting, heating and power - ₹ 2,15,000	Sundries - ₹ 1,53,000
Repairs and renovation - ₹ 1,23,500	

Provided profit @ 20% on total taking and assume 360 days in a year. You are required to calculate the rent be charged for each type of suite. **(10 Marks)**