

Total Time: 2 Hrs 30 min

Total Marks: 75

N.B. (1) All Questions are compulsory subjected to internal options

(2) Figures to the right indicate full marks

(3) Use of simple calculator is allowed

Q.1. Select the most appropriate option and rewrite the full sentence. (Any 8) (8)

1. ____ is most likely to be fixed cost.
 - a) Cost of material used in production
 - b) Rent
 - c) Assembly labour cost
 - d) Commission
2. Remuneration paid to technical director is a part of
 - a) Works cost
 - b) Prime cost
 - c) Administrative overheads
 - d) All of the above
3. The costs associated with storage are an example of
 - a) Quality cost
 - b) Labour cost
 - c) Ordering cost
 - d) Carrying cost
4. Idle time is
 - a) Time spent by workers in factory
 - b) Time spent by workers in offices
 - c) Time spent by workers in their jobs
 - d) Time spent by workers without work
5. Material inspection note is signed by the
 - a) Inspector
 - b) Storekeeper
 - c) Cost accountant
 - d) All of the above
6. Overhead expenses can be classified according to
 - a) Functions
 - b) Elements
 - c) Behavior
 - d) All of the above
7. The cost which does not involve any cash outlay is
 - a) Sunk cost
 - b) Imputed cost
 - c) Relevant cost
 - d) Book cost

8. ABC analysis is a technique developed for
 - a) Inventory management
 - b) Inventory control
 - c) WIP control
 - d) Finished stock control
9. Labour turnover is calculated by
 - a) Separation method
 - b) Replacement method
 - c) Flux method
 - d) All of the above
10. Indirect costs are known as
 - a) Fixed cost
 - b) Overheads
 - c) Variable cost
 - d) None of the above

Q.1 (B). State whether the following statements are true or false: (Any 7)

(7)

1. Abnormal idle time wages are excluded from cost of production.
2. Under absorption of overheads increases profits in costing books.
3. Financial accounts fail to give a product wise break-up of profit or loss.
4. Material losses due to fire should be transferred to costing profit and loss account.
5. Bin cards are not part of accounting records.
6. FIFO method is usually suitable in case of perishable materials.
7. High labour turnover usually increases the labour cost.
8. Cash discounts are generally excluded from cost sheet.
9. Preliminary expenses written off appear only in financial accounts.
10. Interest on capital is imputed cost.

Q.2:

(15 marks)

Prepare store ledger Account as per FIFO and Weighted Average Method of material "Zenu" for month of September 2018

Date	Transactions	Units	Cost per unit
1-9-2018	Opening Balance	2000	2.90
5-9-2018	Purchase	3000	3.10
11-9-2018	issued	4000	-
16-9-2018	Purchase	8000	3.20
20-9-2018	Issued	8000	-
25-9-2018	Purchase	3000	3.30
30-9-2018	Issued	3000	-

OR

Q.2.a: A company provides the following information regarding material:

(08 marks)

Demand= 8,000 units per month

Purchase price of input unit= Rs.25 per unit

Carrying cost p.a.= 12%

Ordering cost per order= Rs.100

Calculate: i) EOQ ii) Total Annual carrying cost and ordering cost.

Q.2. (b) The following information is available in respect of material:

(07 marks)

Re-order quantity= 6000 units

Re-order period = 4-6 weeks

Maximum usage= 1000 units per week

Normal usage= 650 units per week

Minimum usage = 500 units per week

Calculate: i) Re-order level ii) Minimum level iii) Maximum level
iv) Average stock level

(15 marks)

Q.3: Mr. A an employee of XYZ Co. gets the following emoluments and benefits:

- Salary - Rs.60000 per month
- Dearness Allowance- Rs.6000 per month
- Employers contribution to provident fund – 8 percent of salary and Dearness Allowance
- Employers contribution to E.S.I – 4 percent of salary and Dearness Allowance
- Bonus – 20 percent of salary and Dearness Allowance
- Other Allowances – Rs.65000 per annum

Mr. A work for 2000 hours per annum, out of which 400 hours are non-productive but treated as normal idle time. You are requested to find out the Effective Hourly cost of Mr. A. Also find cost per Day if Mr. A is working 8 hours in a day.

OR

(08 marks)

Q.3.a: A worker produced 250 units in a weeks' time. The Guaranteed weekly wage payment for 50 hours is Rs.81. The expected time to produce one unit is 15 minutes which is raised further by 20 percent under the incentive scheme. What will be the earnings per hour of that worker under Halsey(50 % sharing) and Rowan bonus scheme?

(07 marks)

Q.3.b: In a manufacturing concern the daily wage rate is Rs.3.50. The standard output in a week is 250 units representing 100 percent efficiency. The daily wage rate is paid without bonus to those worker who show up to 66 2/3% of the efficiency standard. Beyond this there is a bonus payable on a graded scale as below:

75% Efficiency – 5 percent bonus

90% Efficiency-9 percent bonus

100% Efficiency- 20 percent bonus

Further increase of 1 percent for every 1 percent further rise efficiency. In a 6 week Mr. A produced 200 units, Mr. B- 150 units, Mr. C -230 units, Mr. D -220 units and E 130 units.

Calculate the earnings of each worker using Emerson Efficiency Bonus System.

(15 marks)

Q.4: A factory has 3 production departments (P1, P2, P3) and 2 service departments (S1 and S2). The following overheads and other information are extracted from the books for the month of January 2018:

Expenses	Amount(Rs.)
Rent	90000
Repair to plant	54000
Depreciation on plant	40500
Lighting	9000

Supervision	135000
Fire Insurance of stock	45000
ESI contribution	13500
Power	81000

Particulars	P1	P2	P3	S1	S2
Area Sq. ft	400	300	270	150	80
No. of workers	54	48	36	24	18
Wages	18000	15000	12000	9000	6000
Value of plant	72000	54000	48000	6000	--
Stock value	45000	27000	18000	--	--
Horse power of plant	600	400	300	150	50

Allocate or apportion the overheads among the various departments on suitable basis

OR

(15 Marks)

Q.4: Classify the given cost on basis of:

A. basis of Traceability:

1. Raw Material
2. Printing
3. Salary to office staff
4. Commission on sales
5. Carriage Outward

B: basis of Function:

1. Neon sign expenses
2. General Manager salary
3. Delivery Van Expenses
4. Compensation to salesman
5. Telephone charges

C. basis of relation to change in Behaviour:

1. Carriage Inward
2. Direct labour
3. Direct Material
4. Direct Wages
5. Power and Fuel

Q.5.a: Distinguish between Cost Accounting & financial Accounting

(08 marks)

Q.5.b: Explain in detail maintenance of stock ledger

(07 marks)

OR

(15 marks)

Q.5: Write Short note on: (any 03)

1. Variable Cost
2. Labour Turnover
3. Limitation of Cost Accounting
4. Weighted Average Method
5. Bin Card System
