

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.1a: Fill in the Blanks from the correct option :(Any 08)****(08 marks)**

1. In _____ method stock is valued at current price.
a. LIFO b. FIFO c. weighted d. Perpetual
2. When closing stock is undervalued _____
a. Profit is overstated b. Profit is understated c. No effect on profit d. None of these
3. $\sqrt{2AO/C} =$ _____
a. EOQ b. EAC c. EQO d. EQQ
4. Rent is divided on basis of _____
a. Direct labour b. Floor Area c. Number of employee d. All of these
5. There two systems of determining inventory are Periodic system and _____ system.
a. perpetual b. FIFO c. LIFO d. Weighted Average
6. The standard which overns stock valuation is _____
a. AS 1 b. AS 2 c. AS 10 d. AS 6
7. Raw Material should be classified as a _____
a. Fixed Overhead b. Variable Overhead c. Semi Fixed or Semi Variable overhead d. None of the above
8. Depreciation on Computers in office forms part of _____
a. Production Cost b. Selling Cost c. Distribution Cost d. Administration Cost
9. _____ lies between minimum and the maximum levels in such a way that before the material ordered is received into stores, there is sufficient quantity on hand to cover both normal and abnormal consumption situations.
a. Danger Level b. Re-Order level c. Maximum Level d. Average Level
10. FIFO stands for _____.
a. Fast In First Out b. First In First Out c. Fast Issue of Fast order

Q.1.b: state whether the following statements are true or false (Any 07)**(07 marks)**

1. Direct material is variable cost.
2. Variable overheads vary with production
3. Weighted Average method is used for calculating Direct material
4. A profitable business need costing system
5. Factory overheads includes all items other than direct material, direct wages and direct expenses.
6. The word allocation and allotment have same meaning in costing
7. There is inverse relationship between order size and order cost
8. Ordering cost refers to the cost incurred in storing or carrying the stock.
9. Fixed costs do not vary with the change in output.
10. Apportionment of production overheads to different departments is known as primary distribution.

(15 marks)

Q.2: Prepare store ledger Account as per FIFO and Weighted Average Method of material R for month of August 2018

Date	Transactions	Units	Cost per unit
1-8-2018	Opening Balance	4000	20
5-8-2018	Purchase	4800	25
11-8-2018	Sale	7200	-
16-8-2018	Purchase	5600	30
20-8-2018	Sale	6400	-
25-8-2018	Purchase	4000	35
30-8-2018	Sale	1600	-

OR

(08 marks)

Q.2.a: Q2.a: The following details are available:

1. Inventory requirement per year 32000 units
2. Cost per unit (order than carry and ordering cost) –Rs.5.
3. Carrying cost per item per year is Re.1
4. Cost of placing each order is Rs.150
5. Alternative order size (units) 8000, 12000, 20000, 24000.

Find EOQ using Tabular method.

(07 marks)

Q.2.b: In a company, weekly minimum and maximum consumption of Material A are 175 and 125 units respectively. The order quantity has fixed by the company is 600 units. The material is received within 4 to 6 weeks from issue of supply order. The emergency order period is 2 weeks. Calculate Minimum level, Maximum level, Average Level and Danger level.

(15 marks)

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

- a. Salary - Rs.22000 per month
- b. Dearness Allowance- Rs.10000 per month
- c. Employers contribution to provident fund – 8 percent of salary and Dearness Allowance
- d. Employers contribution to E.S.I – 4 percent of salary and Dearness Allowance
- e. Bonus – 20 percent of salary and Dearness Allowance

Mr. Y work for 3,500 per annum, out of which 500 hours are non-productive but treated as normal idle time. You are requested to find out the Effective Hourly cost of Mr. Y

Also find cost per Day if Mr. Y is working for 10 hours in a day.

OR

(07 marks)

Q.3.a:From the following details as regards a worker for a job 666. Time allowed- 52 hours. Time taken- 40 hours. His normal basic rate of wage is Rs.160 per day of 16 hours and dearness allowance was Rs.500 per week of 48 hours.

Calculate the amount payable to him :

- a. on Time Basis ,
- b. On Halsey Plan Basis
- c. On Rowan Plan Basis

(08 marks)

Q.3.b: In a manufacturing concern the daily wage rate is Rs.10. The standard output in a week is 800 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:

80% Efficiency – 5 percent bonus

90% Efficiency-9 percent bonus

100% Efficiency- 20 percent bonus

Further increase of 1percent for every 1 percent further rise efficiency.

In a 6 week Mr. A produced 400 units, Mr. B- 800 units, Mr. C -1000 units, and Mr. D 600 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 March 2018:

Expenses	Amount(Rs.)
Rent	36000
Repair to plant	16000
Depreciation on plant	48000
Lighting	24000
Wages	18000
Fire Insurance of stock	18000
ESI contribution	2400
Power	12000

Particulars	P1	P2	P3	S1	S2
Area Sq. ft	1500	2000	2500	1000	500
Direct wages	20000	30000	40000	6000	4000
Light points (Nos)	40	30	20	20	10
Value of plant	60000	50000	80000	10000	--
Stock value	4500	2700	1800	--	--
Horse power of machine	45	40	5	60	--

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. Wages
2. Freight inward
3. Directors fees
4. Show room expenses
5. Postage

B: basis of Function:

1. Manager salary
2. Depreciation on machinery
3. Compensation to factory worker
4. Travelling Expenses
5. Rent

C. basis of relation to change in Behaviour:

1. Carriage Inward
2. Direct wages
3. Direct Material
4. Rent
5. Freight inward

Q.5.a: Explain in detail Direct Cost

(08 marks)

Q.5.b: Explain in detail Bin Card

(07 marks)

OR

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

(15 marks)

1. Absorption Costing
2. Sunk Cost
3. Limitation of EOQ
4. Classification of costs
5. Semi Variable cost
