

Q - I A] Select correct alternative and rewrite the sentence (Any 08)

(08)

1. Variable cost per unit

- a) varies when output varies
- b) remain constant
- c) increases when output increases
- d) decreases when output decreases

2. An example of fixed cost is:

- a) Materials consumed
- b) Depreciation
- c) Wages paid
- d) Packing material

3. A functional classification of costs would classify ' depreciation on office equipment' as a

- a) Product cost
- b) Administrative expense
- c) Selling expense
- d) Variable cost

4. Continuous stock taking is a part of

- a) Annual stock taking
- b) Perpetual inventory
- c) ABC analysis
- d) None of the above

5. The storekeeper should initiate a purchase requisition when stock reaches

- a) Minimum level
- b) Maximum level
- c) Re- Order level
- d) Average level

6. Wages sheet is prepared by

- a) time- sleeping department
- b) personnel department
- c) payroll department
- d) cost accounting department

7. Charging to a cost centre those overheads that result solely from the existence of that cost centre is known as

- a) Allocation
- b) Apportionment
- c) Absorption
- d) allotment

8. Which of the following methods of wage payment is most suitable where quality and accuracy of work is of primary importance.?

- a) Piece rate system
- b) Time rate system

B. to 4 weeks

Calculate for each department:

1. Reorder level
2. Minimum level
3. Maximum level
4. Average level

(B) From the following information calculate Economic Order Quantity and number of orders to be placed each year. (07)

Annual consumption of Material : 675 units

Cost of Material : Rs. 30 per unit

Cost of placing an order : Rs. 18

Annual carrying cost of one unit : 10% of inventory value

OR

Q2 The following particulars have been extracted in respect of material X. (15)

Prepare a Stores Ledger account showing the receipts and issues pricing the materials issued on the basis of 1) Weighted Average Method and 2) FIFO

Receipts:

2015

September	1 Opening Stock	200 units @ 3.50 per unit
	3 Purchased	300 units @ 4 per unit
	13 Purchased	900 units @ 4.30 per unit
	23 Purchased	600 units @ 3.80 per unit

Issues :

2015

September	5 Issue I	400 units
	15 Issued	600 units
	25 Issued	600 units

Q- 3 (A) Standard production @ 60 units per hour, general wage rate Rs. 6 per hour, wage rate if work executed below standard: 80% of general rate, wage rate on execution of work equal to standard 120% of general rate; production in 8 hrs of one day by Mr. Prakash : 750 units and by Mr. Anand : 600 units. Compute total remuneration payable to Mr. Prakash and Mr. Anand under Taylor plan. (08)

(B) Calculate earning of workers A and B under Straight Piece rate system and Taylor's Differential Piece Rate system from the following particulars. (07)

Normal Rate per Hour – Rs. 3.60

Standard time per hour – 40 seconds

Differentials to be applied are:

80% of the piece rate below the standard.

140% of the piece rate above the standard.

A produced 2600 units per day of 8 hours, and B 3000 units per day of 8 hours.

OR

Q1 (A) A worker produces 400 units in a week's time. The guaranteed weekly wage payment for 48 hours is Rs. 162. The expected time to produce one unit is 15 minutes which is raised further by 20% under the incentives scheme. What will be the earning per hour of that worker under Halsey (50% sharing) and Rowan bonus schemes?

(B) Rate per hour = Rs. 3. Time allowed for the job = 16 hrs. Time taken = 12 hrs. Calculate the total earnings of the worker under Halsey Premium Plan also find out effective rate of earning

(07)

Q2 Strongman Ltd. has three production departments A, B and C and two service departments X and Y. The following particulars are available for the month of March 2015 concerning the organization. (15)

Rent	15000
Municipal Taxes	5000
Electricity	2400
Indirect wages	6000
Power	6000
Depreciation on Machinery	40000
Canteen Expenses	30000
Other labour related costs	10000

Following further details are also available:

Particulars	Total	A	B	C	X	Y
Floor Space (Sq. mts.)	5000	1000	1250	1500	1000	250
Light Point (Nos.)	240	40	60	80	40	20
Direct Wages (Rs.)	40000	12000	8000	12000	6000	2000
Horse power of machines (Nos.)	150	60	30	50	10	-
Cost of machines (Rs.)	200000	48000	64000	80000	4000	4000
Working hours		2335	1510	1525		

OR

Q3 Saroj Ltd. has five departments A, B, C, D and E. The actual costs incurred for the month of February, 2010 are as follows: (15)

Particulars	Rs.
Repairs	21000
Rent	25000
Depreciation	14000
Supervision	56000
Insurance	12800
Lighting	18000

The following data is also available in respect of the five departments:

Particulars	Dept. A	Dept. B	Dept. C	Dept. D	Dept. E
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Area	140	120	110	90	40
No of workers	25	20	10	10	5
Total wages	200000	160000	100000	100000	40000
Value of Plant	400000	360000	320000	200000	120000
Value of Stock	300000	200000	100000	40000	-

Calculate the costs to the various departments on the most suitable basis.

(08)

Q – 5 A] Classify the following expenses

i] On the basis of Traceability of cost

1. Cotton in textile industry
2. Waiter in hotel
3. Rent of Building
4. Wages paid to Mechanic in Garage

ii] On the basis of Functions of cost

1. Show room rent
2. Printing and stationery
3. Power and fuel
4. Advertisement

(07)

B] Explain the causes of labour turnover

OR

(15)

Q-5 Write Short Notes (Any 3)

1. Stock levels
2. Classification of cost on basis of behaviour
3. Functions of time keeping department
4. Overheads
5. Functions of stores department