

Q. P. Code: 30304**[Time: $2\frac{1}{2}$ Hours]****[Marks:75]**

Please check whether you have got the right question paper.

- N.B:
1. Question.No.1 is compulsory.
 2. Q.2 to Q. 5 with internal choice.
 3. Use of Simple calculator is permitted.

Q.1) a) Multiple Choice Questions (Answer any eight) (8Marks)

1. is process of accounting for costs.(Auditing, Cost Accounting, Financial Accounting)
2. Fixed cost is cost which is (Decrease, Fixed, Increases)
3. Under the method a new cost is determine after each purchases (FIFO, LIFO, Weighted Average)
4. The term..... cost refers to the costs incurred for acquiring input.(Carrying, Ordering, Economic)
5. Prime cost plus variable cost known as.....cost.(Production, Marginal, Total)
6. Direct Material is.....cost.(Variable, Fixed, Semi-Fixed)
7. Charging overheads to the cost unit means.....(Absorption, Apportionment, Distribution)
8. Bad debts is example of..... (Overheads , Production, Selling & Distribution)
9. E O Q stands for (Economic Order Quantity, Economic Offer Quantity, Easy Order Quantity)
10. is unproductive labour hours.(Idle, Over, Regular)

Q.1)b) State whether True or False (Answer any seven) (7Marks)

1. Store ledger is maintain in store department
2. Normal loss is avoidable
3. Packaging of material is selling cost
4. Bin card shows quantity and value of material
5. All overtime is not unusual
6. In Taylors differential piece rate plan time wages are guaranteed
7. Clock card is useful for time booking
8. Idle time is difference between clocked and time booked

Q. P. Code: 30304

9. Cash discount are excluded from cost

10. Overhead absorption is the allotment of overhead to cost unit

Q. 2) a) Sarika Ltd furnished the following information:

Consumption 300 units per quarter
 Cost per unit Rs. 40
 Cost of processing an order Rs. 600
 Obsolescence 15% p.a.
 Insurance of inventory 25% p.a.

Compute: EOQ, Number of orders per year.

If a supplier offers a discount of 5% on a purchases of 500 units, should it be accepted? (8 Marks)

Q.2) b) The stock of material on hand on 1st July 2012 was 1000 units @ Rs. 3 each. With the help of following information calculate quantity and value of stock in hand as on 31st July 2012 under FIFO method (7 Marks)

Purchases:		Sales:	
2-7-2012	500 units @Rs 4 each.	4-7-2012	500 units @Rs 5 each.
8-7-2012	900 units @Rs 5 each.	7-7-2012	500 units @Rs 5 each.
25-7-2012	400 units @Rs 3 each.	22-7-2012	500 units @Rs 5 each.

OR

Q. 2 a) For a manufacturer of a certain product two components are used as A. The following particulars are available for week:

Normal usage	70 nos.
Maximum usage	70 nos.
Minimum usage	40 nos.
Reorder quantity	400 nos.
Reorder period	4 to 6 weeks

You are required to calculate:

Reorder level, Minimum level, Maximum level, Average stock level (8 Marks)

Q.2)b) The stock of material on hand on 1st June 2011 was 1500 units @ Rs 30 each. With the help of following information calculate quantity and value of stock in hand as on 30st June 2011 under Weighted Average Method (7Marks)

Purchases:		Sales:	
2-6-2011	900 units @Rs 40 each.	4-6-2011	1500 units @Rs 50 each.

Q. P. Code: 30304

8-6-2012	1000 units @Rs 50 each.	7-6-2011	1500 units @Rs 50 each.
25-6-2011	1400 units @Rs 30 each.	22-6-2011	1500 units @Rs 50 each.

Q. 3)a) Amit an employee of XYZ Ltd. gets the following benefits:

Salary Rs. 2500 p.m.

Dearness Allowances Rs. 5200 p.m.

Employees contribution : to provident fund 8% of salary and DA

Employees contribution : to ESI 4% of salary and DA

Bonus 20% of salary and DA

Other allowances Rs 25000 p.a.

Amit works for 2500 hrs p.a. out of which 500 hrs are non-productive but treated as normal idle time.

You are required to find out the effective hourly cost of Amit (7 Marks)

Q.3)b) A worker produced 200 units in a week's time. The guaranteed weekly wage payment for 45 hours is Rs.80. The expected time to produce one unit is 15 minutes which is raised further by 20% under the incentive scheme. What will be the earnings per hour of that worker under Halsey (50% sharing) and Rowan bonus schemes? (8 Marks)

OR

Q.3. a) From the following information calculate Labour Turnover as per Replacement Method, Separation Method, Flux Method

No. of workers as on 1.1.2000 are 7500

No. of workers as on 31.12.2000 are 8500

During the year 100 workers were left and 300 workers were discharged and 1000 workers were replaced out of which 200 workers were recruited because of exist and the rest were recruited in accordance with expansion plan of company. (7 Marks)

Q.3)b) Calculate the earnings of workers A & B under Straight Piece Rate System and Merrick's Multiple Piece Rate System from the following particulars. (8 marks)

Normal Rate per hour Rs.5.00

Standard time per unit 1 minute

Q. P. Code: 30304Output per day is as follows

Worker A 400 units

Worker B 450 units

Working hours per day are 8

Q.4) In factory there are two service departments P and Q and three Production departments A ,B, C. In April 2000 the departmental expenses were:

Department	A	B	C	P	Q
Rs.	6500	6000	5000	1200	1000

The service department expenses are allotted on a percentage basis as follows:

Department	A	B	C	P	Q
P	30	40	15	-	15
Q	40	30	25	5	-

Prepare a statement showing the distribution of the two service departments expenses to the three departments by

- Simultaneous Equation Method
- Repeated Distribution Method.
- Trial & Error Method

(15 Marks)

OR

Q.4 a) S Ltd has 3 production department L, M, N .After all overheads allocation and apportionment, the production department budget for the year included the following:

Particulars	L	M	N
Overheads costs (Rs)	51240	87120	66816
Direct Labour Hours	-	-	11520
Machine Hours	4200	5280	-

A predetermined overhead absorption rate is established for each production department each year. Actual data for June 2000 included:

Particulars	L	M	N
Overheads costs (Rs)	4410	7190	5610
Direct Labour Hours	-	-	985
Machine Hours	340	426	-

Required:1. Calculate from the data provided an appropriate predetermined overhead absorption rate for each production department and

Q. P. Code: 30304

2. Calculate the amount of the over/ under absorption of overhead in each department and in total for the factory. (7Marks)

Q.4)b) Compute the Machinery Hour Rate from the following data:

Particulars	Rs
Cost of machinery	200000
Installation charges	20000
Estimated scrap value after expiry of its 10 years life	5000
Rent and rates per month	400
Lighting per month	500
Insurance premium p.a.	800
Repairs and maintains p.a.	1000
Power consumption 10 units per hour and rate per 100 unit of power	50
Supervisors salary per month	500

Estimated working hours p.a. 2000. The machine occupies $\frac{1}{4}$ th of the total area of the shop. The supervisor is expected to devote $\frac{1}{5}$ th of his time for supervising the machine. (8 marks)

Q.5. a) write a distinguish between Cost Accounting and Financial Accounting (7 Marks)

b) Define Cost and explain the various classification of cost (8 Marks)

OR

Q.5. Write a Short note on (Any Three) (15 Marks)

1. The Principles of material cost
- 2 Advantages of Cost Accounting
- 3 Labour Turnover
- 4 Idle time
- 5 Overheads
