Q. P. Code:-24467

(Time:-$2\frac{1}{2}$ *Hours*) (Marks:75)

Note: 1] Q – 1 is compulsory

2] Q – 2 to Q -5 with internal choice

3] Figures at right indicates full marks for question.

4] Use of standard calculator is permitted

5] Working notes should form part of your answers

Q- 1 A] State whether the following Statement is True / False (Any 08) (08)

1. Prime cost includes factory overheads.
2. Stock levels are fixed up for inventory control.
3. Dearness allowance is linked with cost of living index.
4. Piece rate method pays the workers by results.
5. Selling and distribution overheads are same as administrative overheads.
6. Linking overheads to cost unit is known as overhead absorption.
7. Stores Ledger shows movement of materials showing quantity and value
8. In no case, material should go below minimum level.
9. Power is allocated on the basis of H.P. of machines.
10. Employee welfare expenses are allocated on the basis of labour hours.

B] Select correct alternative and rewrite the sentence (Any 07) (07)

1. Labour hour rate is followed when most of the work is done by
   a) labour b) machines c) different groups of machines
2. Clock Card is placed at
   a) The entrance of the office b) the entrance of the factory c) the entrance of the stores
3. Stores Department maintains a record in which a separate folio is maintained for each item
   a) Stores Ledger b) Bin Card c) Stock Register
4. When allocating service department costs to production departments, the method that does not consider different cost behaviour pattern is the
   a) step method b) reciprocal method c) simple rate method d) dual rate method
5. A common absorption rate used throughout the following for all jobs and units of output irrespective of the department in which they were produced is called
   a) machine hour rate b) department absorption rate c) overall absorption rate
   d) blanket absorption rate
6. The process by which cost items are charged direct to a cost unit is called
   a) absorption b) apportionment c) allocation d) allotment
7. Goods received note is normally prepared in
   a) Six copies b) five copies c) four copies

8. Material control includes
   a) inventory control b) control over labour c) control over overheads
9. The method of remuneration to give stability of labour cost of the employers is
   a) straight piece work b) premium bonus c) measured day work
10. Casual workers are employed when
   a) Workers are absent b) accident takes place c) there machine breakdown

Q – 2 The following are the receipts and issues of coal in a factory during March 2017: (15)

March	1	Opening stock 2000 tons at Rs. 46 per ton.
	4	Issued 1400 tons
	6	Purchased 3500 tons at Rs. 45 per ton.
	8	Return due to damage condition purchased on 6th March 300 tones.
	9	Issued 800 tons
	14	Issued 2100 tons
	17	Purchased 2000 tons at RS. 48 per ton
	20	Issued 1200 tons
	25	Purchased 1800 tons at Rs. 47 per ton
	28	Issued 2800 tons
	31	Excess found in stock 430 tons due to wrong weighing during the month

The maximum level fixed is 4000 tons, the minimum 750 tons and the reorder level is 1000 tons. Show the Stores Ledger Account under FIFO system and weighted average method

OR

Q – 2 A. Two components 'A' and 'B' are used in Mahindra – Industries as follows: (08)

Normal Usage			:	300 units per week each
Minimum Usage			:	150 units per week each
Maximum Usage			:	450 units per week each
Re – order Quantity	:	A	:	1800 units
		B	:	3000 units
Re – order Period	:	A		4 to 6 weeks
		B		2 to 4 weeks

Calculate for each component:

1. Re – order Level
2. Minimum Level
3. Maximum Level
4. Average Stock Level

B] Determine the EOQ from the following particulars: (07)

Annual Consumption	:	2,025units
Cost of material	:	Rs. 60 per unit
Cost of placing an order	:	Rs. 36
Annual carrying cost of one unit	:	10% of inventory value

Q – 3 a] From the following particulars, work out earnings for the week of a worker under:(08)

1. Straight Piece rate System 2. Differential Piece rate System
3. Halsey Premium System 4. Rowan System

Number of working Hours per week : 48
Wages per hour : Rs. 3.75
Rate per piece : Rs. 1.50
Normal Time per piece : 20 minutes
Normal Output per week : 120 pieces
Actual Output for the week : 150 pieces
Differential Piece rate : 80% of piece rate when output is below standard and 120% when above standard.

B] Daily wage rate guaranteed for a worker is Rs. 1.80 and he standard output fixed for a week is 100 articles, representing 100% efficiency. The guaranteed wage rate is paid without bonus, to those workers who show efficiency upto 70% of the standard. Beyond this, bonus is payable on a graded scale in the fixed ratio to the increased output as under :
Efficiency: 90% Bonus Payable : 10%
Efficiency: 100% Bonus payable : 20%
Further increased of 1% in the bonus is given for every 1% increase in the efficiency.
Calculate the total earnings of 4 workers who have worked for a week and their output was as under :
No. 1 : 50 articles No. 2 : 90 articles No. 3 : 100 articles No. 4: 120 articles week is considered to be of 6 days only (07)

OR

Q – 3 A] Explain the factors affecting wages (08)

B] Calculate the total remuneration of three workers A, B, C from the following data: (07)

1. Standard production per month per worker : 1,000 units
2. Actual production during the month : A 850 units, B : 750 units , C 950 units
3. Piece work rate is 10 paise per unit of production
4. Additional production bonus is RS. 10 for each percentage of actual production exceeding 80% of standard production
5. Dearness allowance: fixed @ Rs. 50 p.m.

Q – 4 Krunal Ltd. has four production departments A, B, C and D and two service department X and Y. The particulars of expenses of the respective departments are as follows: (15)

Production departments				Service departments	
A	B	C	D	X	Y
Rs.5000	Rs.4,500	Rs.4,000	Rs.3,500	Rs.2,750	Rs.1,900

The expenses of Service Departments are charges out on a percentage basis given below:

Particulars	Production Dept.				Service Department	
	A	B	C	D	X	Y
Service Dept. X	10%	30%	20%	20%	-	20%
Service Dept. Y	30%	20%	30%	10%	10%	-

Prepare statement showing distribution of overheads using Repeated Distribution method and Simultaneous Equation Method

OR

Q – 4 From the following information work out the production hour rate of recovery of overhead in department M, N and O (15)

Particulars	Total	Production Department			Service Department	
	Rs.	M (Rs.)	N (Rs.)	O (Rs.)	P (Rs.)	Q (Rs.)
Rent	5,000	1,000	2,000	750	750	500
Electricity	1,000	250	400	150	100	100
Fire insurance	2,000	400	800	300	300	200
Plant Depreciation	20,000	5,000	7,500	5,000	1,500	1,000
Transport	2,000	250	250	250	500	750
Estimated Working Hours	-	5,000	12,500	9,000	-	-

Expenses of service Department P and Q are apportioned as under

	M	N	O	P	Q
Service Department P	30%	40%	20%	-	10%
Service department Q	10%	20%	50%	20%	-

The expenses of Service Department may be apportioned with the help of Repeated Distribution method and Simultaneous Equation Method

Q – 5 A] What is time keeping ? Explain the need of recording attendance time (08)

B] Explain the functions of Purchase department (07)

OR

Q – 5 Write Short Notes (Any 3)

1. Absorption of overheads

2. ABC Analysis

3. Fixed cost and variable cost

4. Stock levels

5. Primary distribution of overheads

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