VCD - 22 11 2019 Class: FYBAF Sem I Sub: Cost Account Marks: 75 Duration = 2 1/2 Hours	
Old Cost Account Marke: 15 Duration - 2 1/ Have	
Duration - 2 % Hours	
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	
51 Working notes should form part of your answers	
Q-1 A] State whether the following Statement is True / False (Any 08)	(80
Cost Accounting provides data for managerial decision- making.	
<ul><li>2. Cost Accounting get its basic data for estimates from the financial accounting system</li><li>3. Cost accounting can be used only in manufacturing concerns.</li></ul>	
<ul><li>4. Cost accounting is not needed by a non-profit organization such as a hospital.</li><li>5. Purchase requisition Note is prepared by the purchasing department.</li></ul>	
6. Bill of Materials is a cash memo sent by the supplier along with the materials	
7. When maximum stock level is fixed, the stock in hand should never exceed this level	
8. Overtime wages are to be paid at double the normal wage rate.	
9. Out- workers are those who are appointed on a temporary basis.	
10. Rent is not included in cost when premises are owned by the company.	
B] Select correct alternative and rewrite the sentence (Any 07)	171
1 methods of wage payment is most suitable where quality and accuracy of work	)7) is of
primary importance.	15 01
a) Piece rate system b) Time rate system	
c) Differential piece work system d) Halsey premium system	
2. Cost of idle time arising due to non- availability of raw material is	
a) charged to Costing Profit and Loss A/c b) Charged to factory overheads	
c) recovered by inflating the wage rate d) None of the above	
3 Wages shoot is propored by	
Wages sheet is prepared by     a) time- sleeping department     b) personnel department	
a) time- sleeping department b) personnel department c) payroll department d) cost accounting department	
Ly 355¢ decounting department	
4. In most of the industries, the most important element of cost is	
a) Material b) Labour c) Overheads d) None of the above	
5. Continous stock taking is a part of	
a) Annual stock taking b) Perpectual inventory	
c) ABC analysis d) None of the above	
6. Bin card is maintained by the	
a) Accounts department b) Costing department	

1	c) Stores		d) None of the above
1	5. Direct	Material is a	
		acturing cost	b) Administration cost
		and Distribution cost	d) Any of the above
	6 Prime	costs plus variable overhe	
	a) Produc	ction cost	
	c) Total c		b) Managerial costs d) Cost of Sales
1	5, 10141 0		u) cost of sales
	7. When	oremises are Swney, a cha	arge in lieu of rent is
	a) an opp	ortunity cost	b) an imputed cost
	c) a sunk		d) an avoidable cost
	8. Costs w	hich are not relevant for	decision- making and are not affected by increase or decrease in
122 122 122 123 124 125 125 125 125 125 125 125 125 125 125	a) Impute		h) Court and a second state of the second stat
	c) Historic		b) Sunk costs
	0, 11101110	A	d) Opportunity costs
	9. When a	mount deposited in a ban	nk is withdrawn for financing a project, the loss of interest on bank
	acposit w	in be referred to as	<b>建建筑建筑</b> 和15次以及各国人党制和126528120003 1830015366 153321 )
	a) Sunk co	ACCOUNT NAME OF THE PARTY OF TH	b) Pre- production cost
	c) Opporti	inity cost	d) replacement cost
	10. Costs t	hat can be easily traced to	a specific department are called
	a) Direct co	osts b) Indirect c	
		he where quality and and	c) Overheads d) Processing costs
	O-2 The	following are the purch	ages and ignored for the line of
	<b>(</b>		nases and issues of material in a factory during July 2018(15)
	July 1	Opening stock 500	0 tons at Rs. 24 per ton.
	4	Issued 3500 tons	
	6	Purchased 8750 tor	ns at Rs. 25 per ton.
	8	Condemned due to	deterioration in quantity.
	9	Issued 2000 tons	m quality.
	14	Issued 5250 tons	
	17	Purchased 5000 tor	as at RS 28 per ton
	20	Issued 3000 tons	to at ito. 20 per ton
	*25	Purchased 4500 ton	as at Ps. 27 parton
	28	Issued 2800 tons	is at Rs. 27 per ton
	31		ols 420 to 1
		Stores Ledger Account u	ck 430 tons due to wrong weighing during the month under FIFO system and weighted average method
			OR SUPPLIES
	Q-2A. T	wo components 'Mitthe	a' and 'Khatta' are used in Pingo Industries as follows: (08)
	Normal Us	age	450 units per week at 1
	Minimum I		: 450 units per week each
			1 AAAA HIIIIN HEL WEEV BOOK

Maximum Usage : 672 units per week each

Re – order Quantity : A : 2700 units
B : 4500 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)

i) Monthly Consumption : 200 units

Cost of material : Rs. 120 per unit

Cost of placing an order : Rs. 50

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

ii) Semi Annual Consumption : 6000 units
Cost of material : Rs. 20 per unit

Cost of placing an order : Rs. 100

Annual carrying cost of one unit : 20% 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. 22.5

Rate per piece : Rs. 9

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. 80 and he standard output fixed for a week is 200 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% 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. 1:150 articles No. 2:190 articles No. 3:200 articles No. 4:220 articles (07)

Q-3 A] Explain the Causes of Labour Turnover

(08)

B] Calculate the total remuneration of three workers Sunil, Bhavesh, Chintan from the following data:

1. Standard production per month per worker: 5,000 units

2. Actual production during the month: A 4850 units, B: 4750 units, C 4950 units

3. Piece work rate is Rs. 20 per unit of production

 Additional production bonus is Rs. 5 for each percentage of actual production exceeding 80% of standard production

5. Dearness allowance: fixed @ Rs. 200 p.m.

Q – 4 Vasanthi 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	departmen	ts		Service de	partments
A	В	C	D	X	Υ
Rs.40,000	Rs.36,000	Rs.32,000	Rs.28,000	Rs.22,000	Rs.15.200

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

Particulars	Produ	uction	Dept.	Service Department		
	Α	В	С	D	X	Y
Service Dept. X	10%	30%	20%	20%	Part House	20%
Service Dept. Y	30%	20%	30%	10%	10%	1,11,11,11,11,11,11

Prepare statement showing distribution of overheads using Repeated Distribution method and
Trial and Error Method

OR

Q-4 From the following information work out the production hour rate of recovery of overhead in department X, Y and Z (15)

Particulars	Total	Production Department			Service Department	
	Rs.	X	Y	ZA	A	В
Printer	2757	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Rent	12,000	2,400	4,800	2,000	2,000	800
Electricity	4,000	800	2,000	500	400	300
Indirect Labour	6,000	1,200	2,000	1,000	800	1,000
Depreciation	5,000	2,500	1,600	200	500	200
Sundries	4,500	910	2,143	847	300	300
Estimated Working Hours	-	1,000	2,500	1,400	-	-

Expenses of service Department P and Q are apportioned as under

	M	N	0	P	0
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] Explain the classification of cost on basis of behavior with suitable diagram (08)

OR

Q – 5 Write Short Notes (Any 3)

- 1. EOQ
- 2. Direct cost and Indirect cost
- 3. Stock levels
- 4. Incentive plans
- 5. Functions of store department