

25/04/17

T4Bcom [Sub: C.A.]

200

QP Code : 07347

(2½ Hours)

[Total Marks : 75]

N.B. : (1) All questions are compulsory.

(2) Figures to the right indicate full marks allotted to the question.

(3) Working notes wherever necessary should form part of your answer.

(4) Calculate figures up to two decimal points wherever required.

1. (a) Select the most appropriate option and rewrite the full sentence. (Any 8)

08

1. \_\_\_\_\_ is not a function of cost accounting.

- Cost ascertainment
- External reporting
- Decision making
- Planning and controlling

2. Imputed cost is \_\_\_\_\_.

- Differential cost
- Fixed cost
- Variable cost
- Notional cost

3. Direct material is \_\_\_\_\_.

- Directly identifiable with the product
- Directly identifiable with the stores department
- Directly associated with purchase department
- All the above

4. Order should be placed with supplier when the inventory touches \_\_\_\_\_.

- Re-order level
- Danger level
- Minimum level
- Maximum level

5. Bonus under Halsey plan is paid at \_\_\_\_\_.

- 50% of Time saved
- 75% of Time saved
- 33 1/3% of Time saved
- 83% of Time saved

6. The method which doesn't differentiate between efficient & inefficient workers \_\_\_\_\_.

- Piece rate method
- Time rate method
- Halsey plan
- None of the above

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7. Cost of Fancy packing is included in \_\_\_\_\_.

- Production overhead
- Selling overhead
- Administrative overhead
- All the above

8. Overheads can be classified according to \_\_\_\_\_.

- Elements
- Functions
- Behaviour
- All of the above

9. Prime cost + Overheads = \_\_\_\_\_.

- Total cost
- Cost of production
- Works cost
- All the above

10. Notional rent is recorded in \_\_\_\_\_.

- Cost account
- Balance sheet
- Financial accounts
- None of the above

(b) State whether the following statements are True or False. (Any 7)

1. Absorption means charging overheads to product.
2. Over-absorption of overheads decreases costing profit.
3. Prime cost is indirect cost.
4. Sale of Scrap is added to cost of material.
5. Profit on sale of investment is considered in cost accounts.
6. Time rate plan motivates the efficient workers.
7. In FIFO Method, Closing stock is valued at oldest prices of material.
8. Purchase order is an order to stores department to issue material.
9. In Halsey Plan, time wages are guaranteed.
10. Secondary Packaging cost is a distribution cost.

07

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2. From the following information, find out value of stock by preparing stores ledger as per FIFO and Weighted Average (Perpetual) Method. 15

Date (April 2016)	Transactions	Units	Rate per unit (₹)
1	Opening Balance	1000	50
3	Purchases	5000	60
4	Sales	3000	62.5
6	Sales	2000	62.8
8	Purchases	3000	50
9	Sales	2000	54.8
10	Sales	500	55

The weekly physical stock taking on April 7, 2016 showed a shortage of 100 units.

OR

- 2 (A) A Company is having two production departments namely X & Y and two service departments S1 & S2. The expenses incurred during the month of March, 2016 are as follows. 08

Expenses	Amount (₹)
Staff welfare expenses	54,000
Depreciation	1,80,000
Rent & Taxes	2,80,000
Power	1,50,000
Insurance on Assets	90,000
Lighting	36,000

The following information is also available for the above departments

Particulars	X	Y	S1	S2
Direct wages ₹	1,00,000	1,00,000	50,000	30,000
Direct material ₹	1,50,000	1,00,000	5,000	---
No. of Light Points	30	15	10	5
H.P. of Machines	8	4	2	1
Value of Assets (₹ in Thousands)	100	40	30	10
No. of Workers	100	50	50	25
Floor Space (Sq. Ft.)	600	400	200	200

Prepare a Statement showing Primary Distribution of Overheads.

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- (B) Calculate earnings of a worker under Halsey Premium Plan and Rowan Premium Plan from the following: 07

Time taken	60 hours
Time allowed	75 hours
Hourly rate	Rs. 25 per hour
Dearness allowance	Rs. 50 per day of 8 hours' work

3. Mr. Vasudeo, an employee of XYZ Ltd. gets the following emoluments & benefits: 15

Basic wages	Rs. 42,000 per month
Dearness allowance	50% of Basic
Employees Contribution to Provident Fund	10% of Basic
Employees Contribution to E.S.I.	4% of Basic
Bonus	20% of Basic
Other allowances	Rs. 36,000 p.a.

Mr. Vasudeo works for 2000 hours per annum, out of which 200 hours are normal idle time. Employer's contribution to State Insurance (E.S.I.) and P.F. are at equal rate with employees' contribution. Mr. Vasudeo worked 25 effective hours on a Job No.5 where the cost of direct material is Rs. 60,000 and overheads are 80% of combined cost of material & labour. The sale value of job is quoted to earn profit 20% on sales.

You are required to find out effective hourly cost of Mr. Vasudeo and expected sales value of Job No.5.

OR

- 3 A) Calculate Machine hour rate from the following data. 08

No. of Machines in the shop	4
Original cost of four machines	Rs. 1,53,600
Depreciation @ 10% p.a.	Straight line method
Maintenance cost -	Average Rs. 16 per day of 8 hours for 4 machines
Power -	50 paise per running hour per machine
Supervision -	for 4 machines Rs. 1280 per month
Building depreciation for 4 machines -	Rs. 160 per month
Manufacturing overheads -	Rs. 480 per month for 4 machines
Normal working days in a year	300 days
Normal idle time -	20%
Normal running -	1 Shift of 8 hours

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- B) Calculate the earnings of a worker under Time rate, Rowan system & Halsey system, from the following information.

A Worker's wages for a guaranteed 48 hours week is Rs. 75 per hr. The estimated time to produce one article is 30 minutes and under an incentive plan, the time allowed is increased by 20%.

During a week, a worker produced 100 articles.

15

4. Following details are furnished by Omkar Ltd. of expenses incurred during the year ended 31<sup>st</sup> March 2016.

Particulars	₹
Stock of Raw materials (1-4-2015)	4,00,000
Raw materials purchased	20,00,000
Stock of Raw materials (31-3-2016)	5,00,000
Carriage on purchase of raw material	40,000
General charges	40,000
Productive wages	12,00,000
Salaries of Drawings & Designing Department	1,00,000
Hire Charges of Special Equipment	50,000
Repairs to Plant & Machinery	90,000
Depreciation on Plant	60,000
Gas & Water charges	10,000
Counting house salaries	90,000
Rent, rates & taxes (office)	6,000
Depreciation on Office Furniture	4,000
Carriage on sales	36,000
Travelling expenses	54,000
Depreciation on Delivery Van	18,000
Brand Ambassador's Remuneration	54,000
Profit on sale of plant	1,000
Interest received on investment	2,000

Other Information:

- 1) Stock of Finished goods at the end of the year 2,000 units to be valued at cost of production.
- 2) No. of units produced during the year 20,000.
- 3) Profit desired on sales is 20%.

Prepare Cost Sheet showing various elements of cost both in total and per unit and also find out total profit and per unit profit.

OR

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4. Following is the Profit & Loss Account as per financial records of Shraddha Enterprises for the year ended 31<sup>st</sup> March 2016. 15

Dr.		Cr.	
Particulars	₹	Particulars	₹
To. Raw materials consumed	2,50,000	By Sales (1,20,000 units)	7,00,000
To wages	1,00,000	By Dividend Received	45,000
To Factory expenses	3,80,000	By Interest on Deposits	10,000
To Administrative expenses	2,50,000	By Closing stock:	
To Selling expenses	4,80,000	-Finished Goods(40,000 units)	1,20,000
To Legal expenses	5,000	-Work-in-progress	40,000
To Bad debts	15,000	By Net loss	5,80,000
To IncomeTax	15,000		
	14,95,000		14,95,000

The Cost Accounts revealed the following :

- (1) Factory overheads recovered at 20% on prime cost.
- (2) Administration overheads at Rs. 3 per unit produced.
- (3) Selling and distribution overheads at Rs. 4 per unit sold.

Prepare: i) Cost Statement for the year ended 31st March, 2016 and

ii) Statement of Reconciliation

5. A) Explain the Causes of Over and Under Absorption of Overheads. 08  
B) Explain in brief Cost Classification by Behaviour. 07

OR

5. Write Short notes on (Any Three) 15
- a) Direct Cost
  - b) Economic Order Quantity (EOQ)
  - c) Abnormal Idle time of labour
  - d) Allocation of Overheads
  - e) Causes of difference between Financial and Costing profit

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