

TIME : 2 Hrs.

MARKS : 60

NOTE : 1. Answer all questions.

Q.1 From the following particulars, prepare stores ledger account under (FIFO) First In First Out method for the month of march 2004.

PURCHASES : -

DATE	Units	Rate per unit (Rs.)	
01	500	18	
04	700	20	
09	900	18	
15	300	25	
25	200	20	
28	500	25	
Issues			
02	200		
07	500		
11	400		
18	800		
27	500		
29	100		

Stock verifier revealed shortage of 100 units on 30.03.2004.

[15]

Q.2 A) Say TRUE or FALSE :

1. Prime cost + factory overheads is called Cost of Production.
2. All cost are controllable.
3. Oil used for lubricating machines is indirect material.
4. Stores ledger discloses not only the quantities but also the values of the receipts and issues.
5. Overtime pay is the payment linked up with the cost of living.

[5]

B) Match the following :

[5]

- | | |
|------------------------------|---------------------------|
| Items of expenses | Basis of apportionment |
| 1) Rent | 1) No of employees |
| 2) employee welfare | 2) Sales value |
| 3) depreciation on machinery | 3) Number of light points |
| 4) sales commission | 4) Floor area |
| 5) electric light | 5) Value of machines |
| | 6) Works cost |

C. Fill in the blanks :

[5]

1. The allotment of whole items of cost to cost centres is called
2. There are two piece rates of wages under piece rate systems.
3. Total of indirect material, indirect labour and indirect expenses is called as
4. means the recording of time spent by a worker on

Q.3 Sunrise Ltd have 3 production departments and 2 service departments.

The expenses for the period were :-

	Rs.
Power	2,200
Lighting	800
Staff welfare	3,000
Depreciation	30,000
Repairs	6,000
General	12,000
Rent and taxes	550

Details of the departments are :

Particulars	Production Depts			Service Depts	
	A	B	C	X	Y
Direct wages (Rs)	60,000	90,000	1,20,000	30,000	60,000
Direct material (Rs.)	15,000	30,000	30,000	22,500	22,500
Staff Nos.	150	225	225	75	75
Horse power of machines	60	45	30	15	15
Asset value (Rs.)	60,000	40,000	30,000	10,000	10,000
Light points	10	16	4	6	4
Area (sq. ft.)	1500	2500	1500	500	500

Show primary distribution of overheads from the above details : [15]

OR

Q.3 A) Calculate material turnover ratio in days and determine, which of the two materials is slow moving from the following : - [9]

	Material No. 1 (Rs.)	Material No. 2 (Rs.)
Material stock on 31.03.03	25,000	5,000
Material purchases	1,00,000	75,000
Material stock on 01.04.02	10,000	15,000

B) From the following information, you are required to ascertain the wages paid to workers X and Y under : 1) Straight piece rate system
ii) Taylor's differential piece rate system.

Standard time allowed : 10 units per hour.

Normal wages rate : Rs. 1 per hour.

Differential rates to be applied :-

a) 75% of piece rate when below standard.

b) 125% of piece rate when at or above standard.

In a 8 hour day, X produces 60 units. & Y produces 100 units. (6)

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Q.4 From the following particulars prepare cost showing Total cost, profit and sales.

[15]

PARTICULARS	Rs.S
Opening Stock of raw materials	1,10,000
Purchase of raw material	8,25,000
Carriage outward	28,500
Productive wages	4,21,400
Closing stock of finished goods	50,240
Direct Expenses	25,840
Power	40,590
Depreciation on plant & machinery	10,140
Depreciation on factory building	73,740
Closing work in progress	1,20,260
Factory rent & insurance	12,360
Opening stock of finished goods	45,280
Closing stock of raw materials	36,920
Purchase of plant & machinery	1,00,000
Advertising	2,00,000
Stationery & Printing	12,200
Staff salaries	6,30,000
Office rent	60,000
Salesmen Salaries	20,320

The company expects a profit of 10% on cost price.

OR

Q.4 What is time keeping ? What are different methods of time keeping ?

[15]

