

4/10/14

Library
NOIOAGHF4AF
Cost Acctg

MARKS 75

TIME 2 1/2 hours

- NOTE:
1. Question number one is compulsory.
 2. Other questions have internal options.
 3. Working notes form part of your answer.
 4. Figures to the right indicate full marks.

Q1.A. Classify the following costs on the basis of functions: (Any 8) 8 marks

1. Depreciation on delivery van.
2. Machinery operator
3. Factory insurance
4. Salesman commission
5. Foreman salary
6. Trade fair expenses
7. Haulage charges
8. Audit fees
9. Drawing charges
10. Cost of rectifying defective items

Q1.B. Match the following pairs: (Any 7) 7 marks

1. Canteen expenses	Value of plant
2. Cost control	Number of workers
3. Fixed cost	Monitors & regulates cost
4. Variable cost	Fixed cost
5. Power	Factory rent
6. Period cost	Continuous stock taking system
7. Direct materials	Packing materials
8. Perpetual inventory system	Floor supervisor
9. Indirect labour	Cotton used in shirt
10. Mnemonic system	Distribution expenses – DE

Q2. Prepare stores ledger account from the following transactions assuming that issues of store have been made on the principle of First in First out 15 marks

Date	Particulars
September	
1	Received 1000 units @ Rs. 20 per unit
3	Received 350 units @ Rs. 21 per unit
5	Issued 700 units
7	Issued 400 units
12	Received 550 units @ Rs. 22 per unit
16	Issued 350 units
21	Received 100 units @ Rs. 23 per unit
24	Issued 500 units
27	Received 200 units @ Rs. 20 per unit
31	Issued 180 units

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OR

Q2. a) From the following information calculate earning of Mr. Budhha & Mr. Bheem for the month of February 2014:
The wages are paid on the basis of straight piece rate method. **4 Marks**

Output during the month:

Budhha 1200 units

Bheem 1150 units

Straight piece rate Rs.3 per unit.

b) Calculate total wages of Mr. Romy for the month of March 2014 in the following cases:

1. He is paid Rs.5 per unit on the basis of actual units produced by him or Rs.45000 per month; whichever is higher.

a) If his production is 1200 units in the month

b) If his production is 800 units in the month

2. He is paid guaranteed wages according to time rate which is Rs.3000 per month plus Rs.3 per unit. Piece rate for units produced above minimum output of 20000 units. His actual production during the month is 22000 units. **4 Marks**

c) In the engineering concern, the standard time allowed to manufacture an article is fixed at 10 hours and the wage rate is Rs.20 per hour. **7 Marks**

An operator completes 10 articles in 80 hours.

Calculate his total wages under:

a) Halsey premium plan

b) Rowan premium plan

Q3. M/s Taj services Ltd., gives you the following information in respect of two components namely A & B used in manufacturing process:

Particulars	Units
Normal usage	200 units per week each
Maximum usage	300 units per week each
Minimum usage	100 units per week each
<u>Reorder quantity</u>	
A	1600 units
B	2400 units
<u>Reorder period</u>	
A	2 to 4 weeks
B	1 to 2 weeks

Calculate for each component:

a) Reorder level

b) Minimum level

c) Maximum level

15 marks

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OR

Q3. Shub Ltd. is divided into four departments A, B, C & D. The actual cost for the period is as follows:

Particulars	Rs.
Rent	1000
Repairs to plant	600
Depreciation of plant	450
Lighting	120
Supervision	1500
Employees insurance	150
Fire insurance for stock	500
Power	900

The following information is available in respect of the four departments:

Particulars	Dept. A	Dept. B	Dept. C	Dept. D
Area in square meter	1500	1100	900	500
No. of employees	20	15	10	5
Total wages	6000	4000	3000	2000
Value of plant	24000	18000	12000	6000
Value of stock	15000	9000	6000	Nil

Apportion the cost to the various departments on the most equitable basis. **15 marks**

Q4. a) From the following information, calculate Economic Order Quantity: **5 marks**

Annual requirement	1600 units
Cost of placing and receiving per purchase order	Rs.50
Cost of materials per unit	Rs.40
Annual carrying cost of inventory	10% of inventory value

b) The following information is extracted from the budget of XYZ Ltd. for the year 2013. **10 marks**

Particulars	Value
Factory overheads	Rs. 62000
Direct labour cost	Rs. 100000
Direct labour hours	155000
Machine hours	50000
Direct material cost	Rs. 200000

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The following details are available for the Job 301:

Particulars	Value
Direct material cost	Rs. 45
Direct labour cost	Rs. 50
Direct labour hours	40
Machine hours	30

You are required to workout overhead application rates and ascertain the cost of Job 301 by using the following methods of overhead absorption.

1. Direct labour hour rate
2. Direct labour cost
3. Machine hour rate
4. % of Prime cost

OR

Q4. Prepare stores ledger account from the following transactions assuming that issues of store have been made on the principle of Weighted average **15 marks**

Date	Particulars
March	
1	Opening balance 24000 kg @ Rs.7.5 per kg
3	Received 44000 kg @ Rs.7.6 per kg
5	Issued 1000 kg
7	Issued 16000 kg
12	Issued 24000 kg
16	Received 10000 kg @ Rs.7.8 per kg
21	Issued 24000 kg
24	Received 50000 kg @ Rs.8 per kg
27	Issued 30000 kg
31	Issued 22000 kg

Q5. Write short note on: (Any 3, 5 marks each)

1. Codification of overheads.
2. Bin card
3. Cost centre
4. Mixed cost
5. Perpetual inventory system

15 marks