

Q.1. (a) Identify the type of cost based on Functional Classification

8 marks

(Solve any 8) (write both parts in answer)

1. Raw materials purchased.
2. Wages paid to workers.
3. Repairs to Machinery.
4. Cost of Packing material.
5. Delivery Van expenses.
6. Salesmen's Commission
7. Printing and Stationery expenses
8. Office watchman's salary
9. Depreciation of furniture
10. Hire of special machinery

(b) Match the following (Solve any 7)

7 marks

(write both the parts in answer)

Direct material	Weight of material
Indirect material	Horse power ratings
Noncash cost	Potato in wafers
Cost Centre	Value of Machinery
Cost unit	No. of employees
Delivery expenses	Litre
Electric power	Depreciation
Canteen Expenses	Assembly Department
Fire Insurance	Manufacturing overheads
Loose tools	Threads in book binding

Q.2 (a)

5 marks

Calculate Economic Order Quantity and no. of orders to be placed from the following :

Annual consumption	15,000 units
Ordering Cost	Rs. 48 per order
Carrying cost	8 % of inventory cost
Cost per unit	Rs. 2

1. Re-order level
2. Minimum level
3. Maximum level
4. Average stock level

Information

Re-order quantity	48,000 units
Re-order period	4 – 6 weeks
Maximum consumption	12,000 units per week
Minimum consumption	4,000 units per week

OR

Q.2

15 marks

Stock of material on 1st March 2015 was 1000 units at Rs. 10 per unit. The following purchases and issues were made during the month of March 2015.

Purchases

Date	Quantity in units	Rate per unit in Rs.
2.3.15	2000	11
3.3.15	3000	12
11.3.15	4000	13
21.3.15	5000	14

Issues

Date	Quantity in units
5.3.15	5400
15.3.15	2600
31.3.15	5000

You are required to prepare stock ledger for the month of March 2015 in the books of Kevin Ltd. by adopting the FIFO method

Q.3

15 marks

From the following data of Danish Ltd. for the month of September 2015 you are required to prepare the stores ledger by adopting the Weighted Average cost method.

Purchases

Date	Quantity in Kg	Rate per Kg
1.9.15	2000	10
2.9.15	300	12
10.9.15	200	14
22.9.15	300	11

Issues

Date	Quantity in Kg
6.9.15	1200
11.9.15	1000
30.9.15	200

Q. 3(a)

5 marks

From the following particulars you are required to calculate the earnings of a worker for a week under Straight piece rate and Differential piece rate .

Piece rate per unit	Rs. 10
Normal output per week	120 pieces
Actual output for the week	130 pieces
Differential piece rate	(a) If output is below normal then 80 % of normal piece rate (b) If output is above normal then 120 % of normal piece rate.

(b)

5 marks

Calculate the earnings of the worker under Halsey Premium Plan from the following information

Rate per hour	Rs.250
Time allowed for the job	25 hours
Time taken for the job	20 hours

(c)

5 marks

Calculate the bonus payable under the Rowan Plan from the following information

Time allowed	40 hours
Time taken	36 hours
Rate per hour	Rs. 200

Q.4

15 marks

Kavita Ltd. has 3 production departments and 1 service department. The following particulars are given for the month of June 2015.

Particulars	Rs.
Rent	3,50,000
Repairs to plant	2,40,000
Lighting	4,20,000
Supervision	1,50,000
Employees liability for Insurance	52,500
Fire insurance in respect of stock	4,50,000
Power	3,00,000
Depreciation of plant	45,000

The following information is available for production departments P,Q,R and service department S.

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Particulars	Dept.P	Dept.Q	Dept.R	Dept. S
Area in Sq. metre	1200	1800	3600	600
No. of employees	10	20	30	5
Total wages	36000	42000	30000	6000
Value of plant	24000	18000	12000	6000
Value of stock	28000	14000	56000	-----

You are required to apportion the costs to the various departments on the most equitable basis.

OR

Q.4

15 marks

The following information is extracted from the budget of Pasha Ltd. for 2014-15.

Particulars	Rs.
Factory Overheads	5,42,500
Direct labour cost	8,75,000
Direct labour hours	13,56,250
Machine hours	4,37,500
Direct material cost	17,50,000

You are required to calculate the overhead absorption rates by using following methods

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

You are required to calculate the cost of Job no. 567 by making use of all the above methods

1. Direct materials Rs.56,000
2. Direct labour cost Rs. 24,000
3. Labour hours 120
4. Machine hours 60

Q. 5 Write short notes on any 3

5 marks each

1. Purchase Requisition
2. Idle time
3. Coding System
4. Classification and charging of Overheads
5. Product cost and Period cost
6. Periodic and Perpetual system of stock taking