

Time: 2½ hrs.

Note:

1. All questions are compulsory with internal options.
2. Figures to the right indicate full marks.
3. Draw neat diagram wherever necessary.



Marks:75

Q. 1 (A) Fill in the blanks with the correct answer from the alternatives given below. (Attempt any 8) (08)

- (1) Cost accounting is directed towards the need of _____.
 - (a) Government
 - (b) External users
 - (c) Internal users
 - (d) Shareholders
- (2) Process of ascertainment of cost is known as _____.
 - (a) Costing
 - (b) Cost reporting
 - (c) Cost control
 - (d) None of the above
- (3) An example of variable cost is _____.
 - (a) Property taxes
 - (b) Interest on capital
 - (c) Direct material cost
 - (d) Depreciation of machinery
- (4) Material control involves control over _____.
 - (a) Consumption of material
 - (b) Issue of material
 - (c) Purchase of material
 - (d) Purchase , storage and issue of material
- (5) EOQ stands for _____.
 - (a) Economic Order Quantity
 - (b) Essential Order Quantity
 - (c) Economic Output Quantity
 - (d) Essential Output Quantity
- (6) Labour turnover is _____.
 - (a) Productivity of labour
 - (b) Efficiency of the labour
 - (c) Change in the labour force
 - (d) Total cost of the labour
- (7) Time wages are paid on the basis of _____.
 - (a) Actual time
 - (b) Standard time
 - (c) Time saved
 - (d) Overtime

(8) Merricks multiple piece rate system has _____.

- (a) Two rates
- (b) Three rates
- (c) Four rates
- (d) Five rates



(9) The allotment of whole items of cost to cost centres or cost units is called _____.

- (a) Cost allocation
- (b) Cost apportionment
- (c) Overhead absorption
- (d) None of the above

(10) Packing cost is a _____.

- (a) Production cost
- (b) Selling cost
- (c) Distribution cost
- (d) None of the above

(B) State whether the following statements are true or false. (Attempt any 7) (07)

- (1) Cost Accounting provides data for managerial decision-making.
- (2) Cost Accounting is a branch of financial accounting.
- (3) Store ledger is maintained in the stores department.
- (4) All overtime is not unusual.
- (5) Purchase Requisition Note is prepared by the purchasing department.
- (6) Direct wages is a fixed cost.
- (7) Bin cards are not a part of accounting records.
- (8) Cost accounting helps in controlling cost.
- (9) Wages of delivery van drivers is a selling overhead.
- (10) Cost and cost accounting are the same.

Q.2 A) For the manufacture of a certain product two components A and B are used. (10 M) (15)
The following particulars about these components are available:

	A	B
Normal usage (per week)	60 nos.	60 nos.
Maximum usage (per week)	80 nos.	80 nos.
Minimum usage (per week)	30 nos.	30 nos.
Reorder quantity	400 nos.	600 nos.
Reorder period	4 to 6 weeks	2 to 4 weeks

You are required to calculate for each component:

- (i) Reordering Level
- (ii) Minimum Level
- (iii) Maximum Level
- (iv) Average Stock Level.

B) From the following particulars find out the Economic Order Quantity: (05 M)

- (i) Annual Demand 12,000 units
- (ii) Ordering cost Rs 90 per order
- (iii) Inventory carrying cost per annum per unit Rs 15.

OR

Q.2

Stock of material on 1-3-2013 was 1,000 units at Rs 10 per unit. The following purchases and issues were made during the month of March, 2013. (15)

Purchases

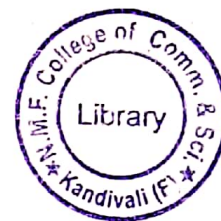
2-3-2013	2000 units	at Rs 11 per unit
3-3-2013	3,000 units	at Rs 12 per unit
11-3-2013	4000 units	at Rs 13 per unit
21-3-2013	5,000 units	at Rs 14 per unit

Issues

5-3-2013	5400 units
15-3-2013	2600 units
31-3-2013	5000 units

You are required to prepare

- (1) Stock Ledger A/c under FIFO method
- (2) Stock Ledger A/c under Weighted Average Cost Method.



Q.3 A) From the following particulars, calculate the earning of workers X and Y for a day under (a) Straight Piece Rate System and (08 M) (15)

(b) Taylor's Differential Piece Rate System:

Standard production - 10 units per day

Normal time rate- Rs 5.00 per hour

Differentials to be applied:

80% of piece rate below standard

120% of piece rate at or above standard

Hours of the day: 8

Output X: 75 units

Output Y: 100 units

(07 M)

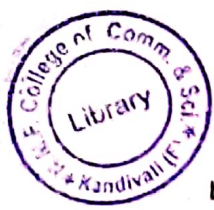
B) Standard production @ 20 units per hour, general wage rate Rs 2.00 per hour, wage rate if work executed below standard: 80% of general rate, wage rate on execution of work equal to standard 120% of, general rate; production in 8 hrs of one day by Mr. A: 150 units and by Mr. B: 200 units. Compute total remuneration payable to Mr.A and B under the Taylor plan.

OR

Q.3 A) A factory has 3 production departments (P1, P2, P3) and 2 service departments (S1 & S2). The following overheads and other information are extracted from the books for the month of January 2014. (15) (10 M)

Expenses	Amount (Rs)	Expenses	Amount (Rs)
Rent	6000	Supervision	9000
Repairs	3600	Fire Insurance for stock	3000
Depreciation	2700	ESI contribution	900
Lighting	600	Power	5400

Particulars	P1	P2	P3	S1	S2
Area sq.ft	400	300	270	150	80
No.of workers	54	48	36	24	18
Wages	18,000	15,000	12,000	9,000	6,000
Value of plant	72,000	54,000	48,000	6,000	-
Stock value	45,000	27,000	18,000	-	-
Horsepower of plan	600	400	300	150	50



Allocate or apportion the overheads among the various departments on a suitable basis.

- The following data relates to a firm for the last twelve months: (05 M)
- B) Minimum usage of a component 50 units/week
Maximum usage 120 units/week
Normal usage 80 units/week
Delivery period varies from 4 to 6 weeks. Orders are placed for 500 units at a time.
Calculate maximum level and minimum level for the component.

Q.4 In an engineering factory, the following particulars have been extracted for the year ended 31-12-2017. (15)

Particulars	Production Departments			Service Departments	
	A	B	C	X	Y
Direct Wages (₹)	30,000	45,000	60,000	15,000	30,000
Direct Materials (₹)	15,000	30,000	30,000	22,500	22,500
Staff Number	1,500	2,250	2,250	750	750
Electricity (kwh)	6,000	4,500	3,000	1,500	1,500
Asset Value (₹)	60,000	40,000	30,000	10,000	10,000
Light Points	10	16	4	6	4
Area (square meters)	150	250	50	50	50

The expenses for the period were as follows :

Particulars	(₹)	Particulars	(₹)
Power	1,100	Depreciation	30,000
Lighting	200	Repairs	6,000
Stores Overhead	800	General Overheads	12,000
Welfare to Staff	3,000	Rent and Taxes	550

Apportion the expenses of service department Y according to direct wages and those of service department X in the ratio 5: 3: 2 to the production departments. You are required to prepare an Overhead Distribution Summary.

OR

- Q.4 A) The standard production in a factory is 10 units per day for 8 hours. (08 M) (15)
The wage is Rs 6 per day. Bonus rated on efficiency is paid according to a scale as follows:

Level of Efficiency	Bonus %
Upto 60% of standard	Nil
Above 60% and upto 75%	5%
Above 75% and upto 90%	10%
Above 90% and upto 100%	15%

For an increase of every 1% efficiency beyond 100% the bonus also rises by 1%.
Output of 3 workers on a day was as follows:

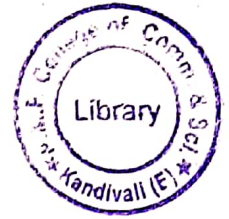
A-40 units, B-75 units, C-100 units

Calculating the earnings of the workers.

(07 M)

B) Calculate total weekly remuneration of workers A, B and C on the basis of following information:

1. Standard production for each worker - 1,000 units
2. Rate of wage - 10 paise per unit
3. Bonus - Rs 5 for each 1% increase over 90% of standard output
4. Dearness allowance per week - Rs 100 per month.
5. Output of A-850 units
B-900 units
C-960 units.



Q.5 a) Distinguish between Financial Accounting and Cost Accounting. (15)
b) Explain the essentials of a good Costing System.
OR

Q.5 Write short notes on (Attempt any 3) (15)

- (1) Objectives of Cost Accounting
- (2) EOQ
- (3) ABC classification
- (4) Labour Turnover
- (5) Repeated Distribution Method

---X---