

Cost Acc
24.1.20

Time : 2 ½ Hours

Total Marks : 75



- N.B** (1) All Questions are compulsory subject to internal choice
(2) Figures to the right indicate full marks.

Q.1 Objective Questions.

(15)

A) Multiple Choice Questions (Any 8)

(8)

1. _____ is not included in Financial Books.
 - a. Interest on capital
 - b. Notional Rent
 - c. Loss on sale of Fixed Assets
 - d. Donation

2. The purpose of inventory control is _____.
 - a. To control flow of raw material
 - b. To maintain optimum level of inventory
 - c. To control invention
 - d. None of these

3. Time rate and Piece rate are combined in _____.
 - a. Halsey Plan
 - b. Gantt Bonus Plan
 - c. Rowan Plan
 - d. None of these

4. Storekeeping expenses are allocated on the basis of _____.
 - a. Floor space
 - b. Direct labour hour
 - c. Number of material requisitions
 - d. None of these

5. Raw Material directly identifiable with the product is _____.
 - a. Direct Materials
 - b. Indirect Materials
 - c. Process materials
 - d. Production Materials

6. Normal Loss is _____.
 - a. Controllable
 - b. Non - Controllable
 - c. Ascertainable
 - d. None of the above

7. Input is 950 units Normal Loss is 10% output is 840 units abnormal loss is _____.
 - a. 20 units
 - b. 25 units
 - c. 15 units
 - d. 30 units

8. Stock level are fixed to _____.
 - a. control inventory
 - b. purchase material
 - c. control cost of scrap
 - d. none of the above

9. Overtime is paid to worker for extra time worked than ____ working hours specified.

- a. Extra
b. Normal
c. Additional
d. Idle

10. JIT _____

- a) Reduces processing time
b) Increase processing time
c) Moderates processing time
d) None of the above

(B) State whether the following statements are True or False.

(7)

- 1) Packing charges are distribution cost _____
- 2) Prime cost includes factory overheads _____
- 3) Fixed cost remains constant irrespective of output _____
- 4) Cement companies follow process costing _____
- 5) EOQ is also called as Re-order Quantity _____
- 6) If actual time taken is less than standard time, it is called Time Saved _____
- 7) Cost of stores is allocated on the basis of Direct Material _____
- 8) Carriage inward should be added to purchases _____
- 9) Profit on sale of Investment is not considered in costing accounting
- 10) JIT maximises set up time _____

Q.2 (A) M/s. Arun Enterprises Ltd. provides you the following information for the month of December, 2016 about processes X, Y, and Z

(15)

Particulars		Process (X)	Process (Y)	Process (Z)
Raw Material introduced in the Process	(Units)	20,000	3,480	2,875
Cost of Raw Material per Unit	(₹)	12	15	18
Direct Expenses	(₹)	1,12,250	79,220	72,770
Labour Charges	(₹)	86,800	85,480	58,330
Factory Overheads	(₹)	25,750	28,620	39,650
Normal Loss				
(% on Total Number of Units Input)	(%)	4%	5%	6%
Scrap Value per unit	(₹)	5	12	15
Output Transferred to the next Process	(%)	60%	50%	—
Output Sold at the end of Process	(%)	40%	50%	100%
Selling Price per Unit of the Output				
Sold at end of the process	(₹)	30	35	55

OR



Q.2 (B) A company has four departments A, B, C & D which are production departments
The actual costs for the year 2014 were : (10)

Rent	21,000	Light & Power	2,100
Repairs to plant	1,26,000	Supervision	31,500
Depreciation of plant	9,450	Repairs to building	8,400

The following information about departments is available and is used as a basis for distribution of costs

Departments	Area Sq. Metres	No. of Employees	Wages Paid Rs.	Value of Plant
A	1,500	20	1,26,000	3,15,000
B	1,100	55	84,000	1,89,000
C	900	10	63,000	1,26,000
D	500	5	42,000	

Apportion the costs to the various departments on the most equitable basis.

Q.2 (C) Calculate : a) Re-Order Level b) Maximum Level c) Minimum Level d) Avg. Stock Level
Material A is used as follows : (05)

- Minimum usage 150 units per week
- Maximum usage 450 units per week
- Normal usage 300 units per week
- Re-Ordering quantity 3,600 units
- Delivery period 2 to 4 weeks.

Q.3 (A) From the following information. Calculate Economic Order Quantity by using Formula and Tabulation Method. (10)

Annual Requirement (Units)	6,400
Ordering cost (Per order ₹)	100
Carrying cost per unit (₹)	8
Per unit Price (₹)	80

The firm can procure inventories in various lots such as (i) 6,400 units (ii) 3,200 units (iii) 1,600 units (iv) 800 units (v) 400 units (vi) 200 units and (vii) 100 units.

Q.3 (B) The following are the details as regards a worker who worked for a job the details are given below .

Time allowed

Time taken

26 hours

20 hours

His normal basic rate of wages was Rs. 80 per day of 8 hours (05)

Calculate the amount payable to him.

- i) On Halsey Plan basis
- ii) On Rowan Plan basis

OR

Q.3 (C) From the following information, prepare Stores Ledger and find out value of Closing Stock as per FIFO Method & Weighted Average Method: (15)

Date 2015 Jan.	Transactions	Units	Rate per Unit Rs.
1	Balance	2,000	40
5	Sales	1,200	46.5
9	Purchases	3,200	44
12	Sales	1,600	47.6
15	Sales	1,200	48.8
21	Purchases	1,600	50
29	Sales	2,400	52.2

Shortage of 60 units was found on 31st Jan. 2015

Q.4 (A) Marigold Ltd. Started a factory in Goa on 1st April 2013. Following details are furnished about its activity during the year ended 31st March, 2014 : (15)

Raw Material consumed - 40,000 units @ ₹ 7 per unit.

Direct Wages

(a) Skilled worker ₹ 9 per unit.

(b) Unskilled worker ₹ 6 per unit.

Royalty (on raw material consumed) @ ₹ 3 per unit.

Works overheads @ ₹ 8 per machine hour.

Machine Hours worked : 25,000 Office Overheads at 1/3rd of Works cost.

Sales Commission @ ₹ 4 per unit.

Units produced 40,000.

Stock of Units at the end : 4,000 units to be valued at cost of production per unit.

Sale price is ₹ 50 per unit.

Prepare cost sheet showing the various elements of cost both in total and per unit.

OR

Q.4 (B) Following is the summarised Profit & Loss Account of M/s. Star Manufacturing Co. Ltd. for the year (15)

To Materials consumed	7,08,000	By Sales : 30,000 Units	15,00,000
To Direct Wages	3,71,000	By Closing Finished Stock : 1,000 Units	40,000
To Works Overheads	2,13,000	By Closing Work-in-Progress	30,000
To Administration Overheads	95,500		
To Selling and Distribution Overheads	1,13,500		
To Net Profit for the year	69,000		
	15,70,000		15,70,000

Prepare a statement showing the reconciliation between the figure of net profit as per cost accounts and the figure of net profit shown in the financial books.



Q.5 Write a short notes on (Any Three)

(15)

1. Just In Time
2. Normal Losses
3. Benchmarking
4. The Balance Scorecard
5. Stock Levels

Q.5 (a) State & Explain Various Stock Levels

(08)

(b) Distinguish Between Financial & Cost Accounting

(07)