

FYBAF sem I A.T.K.T-Exam March-2023
18/3/23 Cost Accounting.

Time: 2 ½ Hours

total marks: 75

N.B: 1) Q. 1 is compulsory

- 2) Q2 to Q5 with internal choice.
- 3) Figures at right indicates full marks for question.
- 4) Use of simple calculator is permitted.
- 5) Working notes should form part of your answer.



Q1. (a) State whether the following statements are true or false (any seven)

(7)

- 1) Cash discounts are generally excluded completely from the cost.
- 2) Rent is not included in cost when premises owned by the company.
- 3) Carriage inward is not really an overhead at all, but is a direct cost.
- 4) Packing cost is a distribution cost.
- 5) Lack of efficient material control system increases the material cost of the finished product.
- 6) In FIFO method, closing stock is valued at oldest prices of material.
- 7) The economic order quantity is the reorder quantity.
- 8) Imputed cost are a type of opportunity cost.
- 9) Cost control means a lower amount of profit to the company.
- 10) All costs are controllable.

Q1. (b) Select the correct alternative and rewrite the sentences (any eight)

(8)

1. Cost accounting covers
 - a. The preparation of statistical data
 - b. The application of cost control methods
 - c. The ascertainment of the profitability of activities carried out or planned.
 - d. All of the above.
2. An example of fixed cost is
 - a. Material consumed
 - b. Factory power
 - c. depreciation
 - d. packing material
3. A cost per unit which increases or decreases when volume of output increases or decreases known as
 - a. Fixed cost
 - b. Semi- variable
 - c. variable cost
 - d. none of the above
4. Which of the following is considered to be a normal loss of material.
 - a. Loss due to accident
 - b. Loss due to careless handling of material
 - c. pilferage
 - d. loss due to breaking the bulk.
5. Bin card is maintained by the
 - a. Accounts department.
 - b. Stores
 - c. costing department
 - d. none of the above
6. The storekeeper should initiate a purchase requisition when stock reaches
 - a. Minimum level
 - b. Re order level
 - c. maximum level
 - d. average level.
7. Halsey premium plan is
 - a. Individual incentive scheme
 - b. Time and piece wages system
 - c. group incentive scheme
 - d. differential piece wages system

8. Bonus under Halsey – weir plan is paid
- At 50% of time save
 - At 33.33% of time save
 - at 75% of time save
 - at 90% of time save
9. The allotment of whole items of cost to cost centers or cost units is called
- Cost allocation
 - Overhead absorption
 - cost apportionment
 - none of the above
10. Directors remuneration and expenses form a part of
- Production overhead
 - Selling overhead
 - administration overhead
 - it may be any of the above

Q2. From the following particulars prepare store ledger for the month of January 2019 by using FIFO method and weighted average method. (15)

Date	Particulars	Units	Rate per unit (Rs)
January 2019			
1	Receipt of material	1200	4.00
1	Issue of material	600	
10	Receipt of material	600	3.80
15	Issue of material	400	
18	Receipt of material	800	4.20
22	Issue of material	800	
29	Receipt of material	800	4.40
31	Issue of material	600	

- Out of purchase January 10, 50 units were returned to the supplier on January 12.
- Out of sales on January 22, a customer returned 20 units on January 25.

OR

Q2.(a) P Ltd manufactures a product "X-Ray" and provides the following information: (8)

- Demand of X-Ray is 4,000 units per month
- Semi - annual carrying cost 6%
- Raw material required per unit of finished product – 2 kg
- Ordering cost per order – Rs 90
- Purchase price of input unit – Rs 25 per kg

Calculate:

- EOQ.
- Number of orders.
- Total carrying cost.
- Total annual cost at that quantity.

Q2. (b) From following particulars calculate: (7)

- Maximum stock level
- Re-order level
- Minimum stock level
- Average stock level

- Minimum consumption – 240 units per day
- Maximum consumption – 420 units per day
- Normal consumption – 300 units per day
- Re – order quantity – 3600 units per day
- Reorder period – 10 -15 days
- Normal reorder period – 12 days.

Q3. (a) From the following information calculate the earnings of a worker under Halsey plan and Rowan premium plan separately. (7)

Time taken to complete job – 72 hours

Time allowed to complete job – 90 hours

Per hour rate wages – Rs 25

Dearness allowances Rs 10 per day of 8 hours' work



Q3. (b) In a factory guaranteed wages at the rate of Rs 1.80 per hour are paid in a 48 hour week. By time and motion study it is estimated that to manufacture one unit of a particular product 25 minutes are taken. During the week A produce 180 units of the product.

Calculate his wages under following method. (8)

1. Time rate,
2. Piece rate with guaranteed weekly wage,
3. Halsey premium bonus
4. Rowan premium plan

OR

Q3. (c) Discuss the three methods of calculating labour turnover. (7)

Q3. (d) Mr. Jayesh, an employee of the company gets following emoluments and benefits: (8)

Basic wages = Rs 40,000

Dearness allowances 100% of basic

Employer's contribution to provident fund 10% of basic

Employer's contribution to ESI 4% of basic

Bonus 15% of basic

Other allowances Rs 24,500 p.a.

He works for 3,000 hours per annum, out of which 600 hours are normal idle time. Mr Jayesh worked 30 effective hours on job 'B' where the cost of direct material is Rs 60,000 and overhead are 60% of combined cost of material and labour. The sales value of job is quoted to earn profit 25% on cost. You are required to find out effective hourly cost of Mr. Jayesh and expected sales value of job 'B'

Q4. (a) Niraj Ltd has three production department A, B and C and two service department D and E. the following figures are extracted from the records of the company: (15)

Particulars	Amounts	Particulars	Amounts
Rent and rates	10,000	General expenses	20,000
Contribution to ESI	2,500	Power	2,500
Depreciation of machinery	20,000	Lighting	1200

The following further details are available:

Particulars	A	B	C	D	E
Floor space (sq.ft)	2,000	2,500	3,000	2,000	500
Light points (Nos.)	10	15	20	10	5
Direct wages	3,000	2,000	3,000	1,500	500
H.P of machines	60	30	50	10	-
Value of machine	60,000	80,000	1,00,000	5,000	5,000

Prepare the statement of primary distribution of overheads.

OR

Q4. (b) From the following, calculate the machine hour rate for the machine: (15)

Particulars	Amount
Purchase price of machine	Rs 4,50,000
Installation charges	Rs 50,000

Rent per quarter	Rs 30,000
General lighting for the total area (per month)	Rs 2,000
Insurance premium for the machine (per annum)	Rs 6,000
Forman's salary (per annum)	Rs 60,000
Estimated repairs for the machine (per annum)	Rs 18,000

Additional information:

1. Power – 2 units per hour @ Rs 500 per 1,000 units.
2. Estimated life of the machine is 10 years and the estimated value at the end of the 10th year is Rs 1 lakh.
3. The machine is expected to run 20,000 hours in its life time.
4. The machine occupies 1/4th of the total area.
5. The foreman devotes 1/6th of his time for the machine.

Q5. A. Explain the merits and demerits of cost accounting (8)

B. describe the different types of material (7)

OR

Q5. Write short note (any three) (15)

1. Semi- variable cost.
2. Maximum level.
3. Time booking.
4. Allocation of overheads.
5. Production overhead.