

FYBAF sem I Reg & A.T.K.T. Exam Oct-2019.
15/10/19.

FYBAF

Subject : Cost Accounting – I

SEM-I

AY: 2019-20

[Time: 2 ½ Hours]

[Marks: 75]

- Note:** 1) All questions are compulsory.
2) Figures at right shows full marks for questions
3) Use of simple calculator is permitted.
4) Working notes should form part of answers.



Q.1(A) Multiple Choice questions (Any Eight)

(08)

- 1) _____ is the process of accounting for costs.
 - A. Auditing
 - B. Cost Accounting
 - C. Financial Accounting
 - D. Management Accounting
- 2) Fixed Cost is the cost which is _____.
 - A. Decreases
 - B. Varies
 - C. Increases
 - D. Fixed
- 3) The term _____ cost refers to the costs incurred for acquiring input.
 - A. Carrying
 - B. Ordering
 - C. Economic
 - D. Historic
- 4) Direct Material is _____ cost.
 - A. Semi-Fixed
 - B. Semi-variable
 - C. Variable
 - D. Fixed
- 5) EOQ stands for _____.
 - A. Economic Offer Quantity
 - B. Easy Order Quantity
 - C. Essential Offer Quantity
 - D. Economic Order Quantity
- 6) Process of ascertainment of cost is known as _____.
 - A. Cost Reporting
 - B. Cost Control
 - C. Costing
 - D. None of the above
- 7) Payroll shows _____.
 - A. Gross Wages
 - B. Net Wages

- C. Deductions
D. All of the above

8) Under Perpetual inventory control _____.

- A. Stock is verified continuously
B. Stock is verified periodically
C. Stock is verified at the end of every quarter.
D. Stock is verified at half yearly

9) Prime cost is _____.

- A. All cost incurred in manufacturing a product.
B. Total of direct costs
C. Material cost of a product
D. Cost of operating a department

10) The aggregate of all direct cost is termed as _____.

- A. Works
B. Prime
C. Production
D. Total

Q.1 (B) State whether the following statements are True or False (Any Seven) (07)

1. Power is allocated on the basis of H.P. of machines.
2. Selling and distribution overheads are same as administration overheads.
3. ABC analysis classifies material items more in quantity but small in value, as 'A' group.
4. Incentive is a reward to the employees for the effort made.
5. Stores ledger is prepared by the stores department.
6. Prime Cost plus Factory Overheads is called Cost of Production.
7. Overtime pay is the payment linked up with the cost of living.
8. Oil used for lubricating machines is indirect material.
9. Earnings under Halsey and Rowan Plan are the same.
10. Reconciliation of financial accounts and cost accounts is necessary in case of non-integrated system of accounts

Q.2(A) Two components, A and B are used as follows: (08)

Normal usage	50 units per week each
Minimum usage	25 units per week each
Maximum usage	75 units per week each
Re-order quantity	A: 300 units B: 500 units
Re-order period	A: 4 to 6 weeks B: 2 to 4 weeks

Calculate for each component:

- (a) Re-order level
- (b) Minimum level
- (c) Maximum level
- (d) Average stock level

Q.2(B) Rajshree Ltd. furnishes the following information:

(07)

- (i) Consumption : 300 units per quarter.
- (ii) Cost per unit : Rs. 40
- (iii) Cost of processing an order : Rs.600
- (iv) Obsolescence : 15% per annum
- (v) Insurance of inventory : 25% p.a.

Compute:

- (a) Economic Order Quantity
- (b) Number of order per year



OR

Q.2(A) For the manufacture of a certain product two components are used. The following particulars are available for a week

(08)

- Normal usage 300 units
- Maximum usage 450 units
- Minimum usage 150 units
- Re-order quantity 1800 units
- Re-order period 4 to 6 weeks

Calculate:

- i. Re-order level
- ii. Minimum level
- iii. Maximum level
- iv. Average stock level

Q.2(B) The following information is provided by 'XYZ' Ltd of material 'X'. Stock on 1-4-2019 of material 'X' - 100units @ Rs.5 per unit.

(07)

Purchases	Units
05-04-2019	300 @ Rs.6
08-04-2019	500 @ Rs.7
12-04-2019	600 @ Rs.8
Sales	Units
06-04-2019	250
10-04-2019	400
14-04-2019	500

Calculate using FIFO method of pricing issues:

- i. The value of materials consumed during the period and
- ii. The value of Stock of Materials as on 15-04-2019

Q.3(A) From the following particulars, calculate earnings of a worker for the week under: (08)

- a) Straight Piece Rate
- b) Differential Piece Rate
- c) Halsey Premium System
- d) Rowan System

Number of working hours per week - 48

Wages per hour - Rs.15

Piece Rate per unit – Rs.6

Normal time per piece – 20 Min (to be used for computing Standard Hours)

Normal output per week – 120 pieces (to be used for computing Standard Quantity)

Actual output for the week – 150 pieces

Differential piece rate – 80% of the piece rate when output is below standard and 120% above standard.

Q.3(B) From the following information, calculate Labour turnover rates by applying (07)

1. Replacement Method
2. Separation Method
3. Flux Method

No. of workers as on 01.01.2013 = 7600

No. of workers as on 31.12.2013 = 8400

During the year, 80 workers left while 320 workers were discharged, 1,500 workers were recruited during the year, of these 300 workers were recruited because of exits and the rest were recruited in accordance with expansion plan.

OR

Q.3(A) The following are the particulars applicable to a process: (08)

Time Rate- Rs.8 per hour

High Task – 200 units per week

In a 40 hour week, the production of the workers was:

A- 180 units: B- 200 units: C- 205 units

Production above standard- high piece rate of Rs. 2.00 per unit.

Calculate the total earnings of each worker under Gantt's Task Bonus system

Q.3(B) From the following particulars, calculate earnings of 3 workers A, B and C under the Merrick's plan of multiple piece rate system, given the following. (07)

Standard Production- 120 units

Production of A- 90 units

Production of B- 100 units

Production of C- 130 units

Ordinary piece rate- Rs.0.10

Q.4. A company has three production departments A, B and C and two service departments X and Y. (15)

The overhead costs of the different departments incurred during March 2019 are as follows:

Production Departments	Cost (Rs.)
A	13,600
B	14,700
C	12,800
Service Departments	
X	9,000
Y	3,000



The expenses of service departments are charged on a percentage basis which is as follows:

Departments	A	B	C	X	Y
X Deptt	40%	30%	20%	-	10%
Y Deptt	30%	30%	20%	20%	-

Apportion the cost of the Service Departments by using Repeated Distribution Method.

OR

Q.4. The following expenses were incurred annually in respect of a factory having 4 machines of similar nature: (15)

Lighting for the factory	Rs.400
General overheads	Rs.450
Repairs	Rs.1,200
Rent and Rates	Rs.2,000
Supervisors: Two persons looking after four machines paid @ Rs.60 per month each	
Interest paid on loan	Rs.1,000
Power consumed for the shop at 10 paise per unit	Rs.2,400
Depreciation per machinery	Rs.150
Sundry supplies for factory	Rs.120

Each machine consumes 10 units of power in an hour. Calculate machine hour rate, if a machine runs for 1200 hours in a year.

Q.5(A) Explain the terms Time Rate System and Piece Rate System. (08)

Q.5(B) Differentiate between Financial Accounting & Cost Accounting. (07)

OR

Q.5(c) Write short notes (Any three)

(15)

1. Group Bonus Schemes
2. Classification of cost in respect to its functions
3. Labour Turnover
4. Idle Time
5. Objectives of cost Accounting.


