

[Time:2.30 Hrs]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All question are compulsory.
 2. Figures to the right indicate full marks.
 3. Students answering in the regional language should refer in case of doubt to the main text of the paper in English.

Q.1 A Fill in the blanks with appropriate correct option [08]

- i. Indirect costs are known as _____
a. Variable cost b. Fixed cost c. Overheads d. Prime cost
- ii. Which of the following is not a function of Cost Accounting?
a. Cost ascertainment b. Planning and control
c. Decision-making d. External reporting
- iii. The three major elements of product costs are all except ?
a. Factory overhead b. Direct material c. Direct labour d. Indirect labour
- iv. Difference between attendance time and job time is _____
a. Overtime b. Actual time c. Standard time d. Idle time
- v. Prime cost plus variable overhead is known as _____
a. Production cost b. Marginal cost c. Total cost d. Cost of sales
- vi. Piece workers are paid on the basis of _____
a. Output sold b. Output produced c. Output in stock d. Input received
- vii. Time allowed = 48 hours, Time taken = 40 hours, Rate of wage = Rs. 10 per hour. Calculate earning of worker under Halsey plan
a. Rs. 440 b. Rs. 480 c. Rs. 340 d. Rs. 380
- viii. Costs that can be easily traced to a specific department are called _____.
a. Direct costs b. Indirect costs c. Overheads d. Processing costs
- ix. Which of the following bases is not appropriate for apportionment of transport department cost?
a. Crane hours b. Crane value c. Truck Mileage d. Truck Value
- x. Charging to a cost centre those overheads that results solely from the existence of that cost centre is known as _____

- Q.1 B a. Allocation b. Apportionment c. Absorption d. Allotment
State whether the following statement is true or false [07]
 i. An item of cost which is uncontrollable by one manager may be controllable by Another
 ii. Cost accounting is used by investors, creditors etc.
 iii. The word 'allocation' apportionment' and 'allotment' have exactly the same meaning in costing
 iv. Cost of normal idle time may be treated as productions overheads
 v. ABC analysis is based on the principle of 'management by exception'
 vi. In Taylor's differential Piece Rate plan, time wages are guaranteed to each worker
 vii. In Halsey Premium Plan, time wages are guaranteed
 viii. Wages of delivery van drivers is a selling overhead
 ix. Under- absorption of overhead results in under- statement of cost
 x. Carriage onwards is not really an overhead at all, but is a direct cost

- Q.2. A From the Following particulars find out the Economic Order Quantity: [07]
 Annual Demand: 2000 units
 Unit Price: Rs. 20
 Ordering cost per order: Rs. 20
 Storage Cost: 2% p.a.
 Interest rate: 8% p.a.
 Calculate economic order quantity and total annual inventory cost of the raw material

- Q.2 B Keep stock record on FIFO method basis from the following transactions [08]

Purchases : March 2020			Sales : March 2020		
Date	Units	Rate per Unit (Rs.)	Date	Units	Rate per Unit (Rs.)
01	500	18	02	200	22
04	700	20	07	500	25
09	900	18	11	400	21
15	300	25	18	800	28
25	200	20	27	500	25
31	500	25			

OR

- Q.2 C Two Components, A and B are used as Follows [15]
 (15)
 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

Reorder period : A – 4 to 6 weeks
: B – 2 to 4 weeks

Calculate for each component:

- a. Reorder Level,
- b. Minimum Level
- c. Maximum Level
- d. Average stock level

- Q.3. A Rajesh and employee of ABC Ltd. Gets the following benefits [08]
- Salary : Rs. 2,500 p.m.
 - Dearness Allowance : Rs. 5,200 p.m.
 - Employee contribution to PF : 8% of Salary and DA
 - Employee contribution to ESI : 4% of Salary and DA
 - Bonus : 20% of Salary and DA
 - Other Allowances : Rs. 25,000 p.a.
- Rajesh works for 2,500 hours p.a. out of which 500 hours are non-productive but treated as normal idle time. You are required to find out the effective hourly cost of Amit
- Q.3 B A worker produced 200 units in a week's time, the guaranteed weekly wages [07]
- payment for 45 hours is Rs. 405. The expected time to produce 01 unit is 15 minutes which is raised further by 20% under incentive scheme. What will be the earning per hour of that worker under Halsey (50% sharing) and Rowan Bonus Scheme?

OR

- Q.3 C From the following particulars work out the earnings for the week of a worker [08]
- under:
- i. Straight Piece Method
 - ii. Differential Piece Method
 - iii. Halsey Premium System
 - iv. Rowan System
- Number of working hours per week – 48
Wages per hour – Rs. 3.75
Normal time per piece – 20 minutes
Normal output per week – 120 pcs
Actual output for the week – 150 pcs
Differential piece rate – 80% of the piece rate when output is below standard and 120% above standard
- Q.3 D Calculate the earnings of the worker A and B under Straight Piece Method and [07]
- Merrick's Multiple Piece Rate System from the following particulars:
- Normal Rate per hour : Rs. 5.00
 - Standard Time per unit : 01 Minute

Output per day is as follows:

Worker A : 400 units

Worker B : 450 units

Working hours per day are 8

- Q.4 Amber Ltd. has 05 departments: P, N, R, and S are production departments and T is a service department. The actual cost for a period are as follows:

Repairs	35,000
Rent	25,000
Depreciation	42,000
Supervision	40,000
Insurance	16,000
Light	18,000
Employers liability of employee's insurance	6,000

The following information is also available in respect of 05 departments:

Particulars	Production Department			Service Department	
	P	N	R	S	T
Area sq. Ft.	1,400	1,200	1,100	900	400
No. of Workers	250	300	100	100	50
Total Wages	1,00,000	80,000	50,000	50,000	20,000
Value of Plant	2,00,000	1,80,000	1,60,000	1,00,000	60,000
No. of Light Points	50	40	35	30	25
Value of Stock	1,50,000	1,00,000	50,000	20,000	-

Prepare the statement showing primary distribution of overheads.

OR

- Q.4 B In a factory, there are 02 service departments S1 and S2, and there are 03 production department P1, P2 and P3. In April 2021 the departmental expenses were:

Departments:

P1 : Rs. 6, 50,000 S1 : Rs. 1,20,000

P2 : Rs. 6,00,000 S2 : Rs. 1,00,000

P3 : Rs. 5,00,000

The service department expenses are allotted on a percentage basis as follows:

Service Department	Production Department			Service Department	
	P1	P2	P3	S1	S2
S1	30	40	15	-	15
S2	40	30	25	5	-

Prepare a statement showing the distribution of the 02 service department

expenses to the 03 departments by a) simultaneous Equation Method b)
Repeated Distribution Method

- Q.5 A Distinguish between Cost Accounting and Financial Accounting [08]
- Q.5 B Explain the main features of Halsey and Rowan method of payment of remuneration [07]
- Q.5 Short notes on (Attempt any three) [15]
- i. Piece Rate Wages
 - ii. Weighted average cost method
 - iii. Opportunity Cost
 - iv. Economic Order Quantity
 - v. Incentive Schemes