

Q.P. Code: 00003826

[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. Working note should form part of main answer
 4. Use of simple calculators is allowed

Q. 1. A. **Match the columns (8 out of 10)**

08

Group A	Group B
1. Selling Cost	a) Ignores Market Price
2. Rent & Repairs	b) Cost per order
3. Piece Rate System	c) Advertisement
4. Halsey-Weir Premium Plan	d) Value of asset
5. Depreciation	e) $33\frac{1}{3}\%$ Bonus
6. Distribution Cost	f) Taylor & Merrick
7. Total Cost	g) Transportation cost
8. Raw Material	h) Prime cost + Overheads
9. FIFO Method	i) Sugar Cane
10. Ordering Cost	j) Floor space

Q. 1. B. **State whether True or False (7 out of 10)**

07

1. Cost Accounting is a branch of Financial Accounting.
2. Conversion cost is equal to direct wages and factory overhead.
3. Notional expenses are not included for ascertaining cost.
4. Fixed cost vary with volume rather than time.
5. FIFO method of pricing material issue results in higher profit.
6. Bin card shows the value of a material at any moment of time.
7. Labour turnover is the movement of people out of the organisation.
8. Merrick differential piece rate system is less punitive than Taylor system.
9. Pre-determined overhead rates are used only in standard costing system.
10. Waste can be realised but scrap cannot be realised.

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Q. 2. A. From the following data of March 2023.

15

March	Purchase		Sale	
Date	Quantity	Rate (₹)	Date	Quantity
01	2,000	10	06	1,200
02	300	12	11	1,000
10	200	14	30	200
22	300	11		

Calculate the value of closing stock using the following methods

- FIFO and
- Weighted Average Price.

OR

Q. 2. B. Virat Ltd, manufactures a Special Product 'RUN' and provides the following information:

8

Demand of 'RUN' is 2,000 units per month. Semi-annual carrying cost - 6%

Raw material required per unit of finished product - 4 kg.

Ordering cost per order - ₹ 90

Purchase Price of input unit- ₹ 25 per kg

Required: Calculate:

- Economic Order Quantity and
- Total Annual carrying and ordering cost at that quantity.

Q. 2. C. The following information is available in respect of material:

7

Re-order Quantity	1,000 units
Re-order period	6-8 weeks
Maximum Consumption	600 units per week
Normal consumption	400 unit per week
Minimum consumption	200 units per week
Emergency Re-order period	3 Weeks

Calculate:

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

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- Q. 3. A. From the following particulars calculate the earnings of worker's Viren and Tany for a day under (a) Straight piece rate system and (b) Taylors differential piece rate system: 8

Standard production	20 units per hour
Normal time rate	₹ 20 per hour

Differentials to be applied are:

80% of the piece rate below the standard:

120% of the piece rate above standard

Hours of the day: 8

a. Output Viren: 150 units & b. Output Tanya: 200 units.

- Q. 3. B. Calculate the earnings of worker under: 7

a. Halsey Premium Plan and

b. Rowan Premium Plan from the following details:

1. Hourly rate of wages guaranteed ₹ 5 per hour

2. Standard time for producing one dozen articles is 3 hours

3. Actual time taken by the worker to produce 15 dozen articles is 36 hours.

OR

- Q. 3. C. From the following information, calculate labour rate and labour flux rate: 07

No of worker 01-01-22 = 8000

No. of worker as on 31-12-2022 = 8800

During the year 120 workers left while 480 workers were discharged 1,200 workers were recruited during the year of these, 400 workers were recruited because of exits and the rest were recruited in accordance with expansion plans.

- Q. 3. D. 'Shawn' an employee of AB Ltd. gets the following emoluments and benefits 08

Salary	₹ 2,000 per month
Dearness allowance	₹ 5,000 per month
Employers contribution to PF	8% of salary and DA
Employers contribution to ESI	4% of salary and DA
Bonus	20% of salary and DA
Other allowance	₹ 30,000 per annum

A works for 2,500 hours per annum, out of which 500 hours are non-productive but treated as normal ideal time. You are requested to find out the effective hourly cost of 'A'.

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- Q. 4. A. Vedant Ltd. has three production departments A, B, C and two service departments P and Q. The following details are extracted from the books of accounts in respect of indirect expenses incurred during April 2023:

Particulars	₹
<u>Indirect Cost:</u>	
Indirect wages	18,000
Indirect Material	20,000
Lighting	2,400
Rent and Rates	24,000
Electric Power	12,000
Depreciation	48,000
Sundry expenses	15,000

Following further details are collected for distribution of the above cost:

Particulars	Departments				
	A	B	C	P	Q
Value of machinery (in ₹'000')	60	50	80	10	-
Horse power of Machines	40	45	60	5	-
Light Points (Nos)	20	30	40	20	10
Floor space (sq metres)	150	200	250	100	50
Direct wages (in ₹)	30,000	20,000	40,000	4,000	6,000
Direct Material (in ₹)	12,000	15,000	9,000	7,000	7,000

Prepare primary Overhead Distribution Summary.

OR

- Q. 4. B. The following particulars relate to a new machine:

15

Purchase Price	₹ 8,00,000
Installation Expenses	₹ 2,00,000
Rent per quarter	₹ 3,750
General lighting for the total area	₹ 2,000 per month
Foreman's Salary	₹ 60,000 per annum
Insurance Premium for the machine	₹ 6,000 per annum
Departmental Overheads for the machine	₹ 5,000 per annum
Consumable Stores	₹ 8,000 per annum

Additional Information:

- Power 4 unit per hour at ₹ 2 per unit

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2. The machine is expected to run 20,000 hours in its lifetime. The machine occupies 25% of total area. The foreman devotes $\frac{1}{6}$ th of his time for the machine.

3. Estimated life of machine is 10 years and scrap value at the end of 10th year is ₹ 2,00,000.

Q. 5. A. Distinguish between Financial Accounting & Cost accounting. 08

Q. 5. B. Explain in brief the different levels of stock. 07

OR

Q. 5. C Short Notes (Any 3 out of 5) 15

1. Inventory turnover ratio

2. Any 10 overheads & its basis of apportionment

3. Prime cost

4. Classification of cost on the basis of behavior

5. Format of statement showing labour cost per hour/unit
