

Q.P. Code: 00000369

[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. An example of variable cost is \_\_\_\_\_.  
a. Property tax b. Interest on capital c. Direct material cost d. Depreciation of machinery
- ii. Direct material is a \_\_\_\_\_.  
a. Administration cost b. Manufacturing cost c. Selling and distribution cost d. Finance cost
- iii. Selling and distribution overhead does not include \_\_\_\_\_.  
a. Cost of warehousing b. Repacking charges c. Transportation cost d. Demurrage charges
- iv. Budgeted overheads Rs. 74,600; Actual overheads Rs. 71,890; Absorbed overheads Rs. 73,220; what is the overhead over/under absorption?  
a. Rs. 1330 under-absorbed b. Rs. 1330 over-absorbed  
c. Rs. 2710 under-absorbed d. Rs. 2710 over-absorbed
- v. FIFO is \_\_\_\_\_.  
a. Fast Investment in Future Order b. First In First Out  
c. Fast In Fast Out d. Fast Issue of Fast Order
- vi. A worker has produced 154 units in 10 hours instead of 15 hours. If the normal wage rate is Rs. 30 per hour find his remuneration under Rowan premium plan  
a. 300 b. 500 c. 400 d. 100
- vii. The costs of goods acquired from suppliers including freight or transportation costs are \_\_\_\_\_.  
a. Purchasing costs b. Ordering costs c. Stockout costs d. Carrying costs
- viii. The minimum stock level is calculated as \_\_\_\_\_.  
a. Reorder level – (Normal consumption x Normal delivery time)

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- b. Reorder level + (Normal consumption x Normal delivery time)
- c. (Reorder level + Normal consumption) x Normal delivery time
- d. (Reorder level + Normal consumption) / Normal delivery time

ix. Re-ordering level is calculated as \_\_\_\_\_

- a. Maximum consumption rate x Maximum re-order period
- b. Minimum consumption rate x Minimum re-order period
- c. Maximum consumption rate x Minimum re-order period
- d. Minimum consumption rate x Maximum re-order period

x. The following classes of costs are usually involved in inventory decisions except \_\_\_\_\_

- a. Cost of ordering b. Carrying cost c. Cost of shortages d. Machining cost

Q.1 B **State whether the following statement is true or false**

[07]

- i. Job evaluation is the comparative appraisal of workers on different jobs
- ii. The purpose of work measurement is to determine the standard time for doing a task
- iii. Apportionment of overhead is the allotment of whole items of cost to cost centres or cost units
- iv. A blanket overhead rate is a single overhead rate computed for the entire factory
- v. Rent is not included in cost when premises are owned by the company
- vi. Bill of materials is a cash memo sent by the supplier along with the materials
- vii. Re-ordering level is always fixed somewhere between maximum and minimum stock levels
- viii. In FIFO method, closing stock is valued at oldest prices of materials
- ix. Cost accounting information focuses on external reporting
- x. The scope of cost accounting includes cost ascertainment, cost presentation and cost control

Q.2 A Sachin Ltd. furnishes the following information:

[07]

Consumption = 300 units per quarter  
 Cost per unit is Rs. 40  
 Cost of Processing an order is Rs. 600  
 Obsolescence 15% p.a.  
 Insurance of inventory 25% p.a.

Calculate

- a) EOQ;
- b) Number of Order per year;
- c) Time between two consecutive orders.

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Q.2 B The following information is available in respect of materials: [08]

Re-order quantity = 1500 units

Re-order Period = 4 to 6 weeks

Maximum consumption = 400 units per week

Normal consumption = 300 units per week

Maximum consumption = 250 units per week

Emergency re-order period = 2 weeks

Calculate:

a. Reorder level b. Minimum level c. Maximum level

d. Danger Level e. Average stock level

Q.2 C The Following are the details of a spare part of Sriram Mills: [15]

01-01-2004	Opening Stock	-	Nil
01-01-2004	Purchases	-	100 units @ Rs. 30 per unit
15-01-2004	Issued for Consumption	50 units	-
01-02-2004	Purchases	-	200 units @ Rs. 40 per unit
15-02-2004	Issued for Consumption	100 units	-
20-02-2004	Issued For Consumption	100 units	-
01-03-2004	Purchases	-	150 units @ Rs. 50 per unit
15-03-2004	Issued for Consumption	100 units	-

Find out the value of stock as on 31-03-2004 if the company follows:

(a) First in First Out basis; (b) Weighted Average basis

Q.3 A Salary : Rs. 2,500 p.m. [08]

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. 81. 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. 7.50

Normal output per week – 120 pcs

Actual output for the week – 150 pcs

Time allowed for actual production – 60 hours

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. 1.80

Standard Time per unit : 20 seconds

Differential to be applied are:

80% of the piece rate below the standard

120% pf the piece rate above standard

A produced 1,300 units per day of 8 hours; and B 1,500 units per day of 8 hours

- Q.4 A A company is having two production department namely A and B and two [15]  
service departments as S1 and S2. The expenses incurred during the month of  
march, 2014 are as follows

Electricity : 3,600

Insurance on Assets : 9,000

Power : 15,000

Rent and Taxes : 28,000

Depreciation : 18,000

Canteen Expenses : 5,400

The following information is also available for the above departments:

Particulars	A	B	S1	S2
Floor Space sq. Ft.	6,000	4,000	2,000	2,000
No. of Workers	100	50	50	25
H.P. of Machine	120	60	30	15
Direct wages (Rs.)	10,000	10,000	5,000	3,000
Value of Assets (Rs. in 000's)	10	4	3	1
Direct Materials (Rs.)	15,000	10,000	5,000	-
No. of Light Points	30	15	10	5

Prepare the statement showing primary distribution of overheads.

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- Q.4 B In a factory, there are 02 service departments S1 and S2, and there are 03 [15]  
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 State the circumstances in which time rate system of wage payment can be [08]  
preferred in a factory  
B Explain classification, allocation, and absorption of overheads. & how does it [07]  
help in controlling overheads

OR

- Q.5 Short notes (Any three) [15]  
i. Financial Accounting  
ii. Cost Accounting  
iii. Opportunity Cost  
iv. FIFO  
v. Material cost