

[Time:2 Hrs. 30 Mins]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All questions 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. Fill in the blanks choosing the correct alternatives (any 8)**08**

1. Clock card is placed at _____.
a) The entrance of the office. b) The entrance of the factory.
c) The entrance of the stores. d) The entrance of both factory and stores.
2. The process by which cost items are charged direct to a cost unit is called _____.
a) Absorption b) Apportionment c) Allocation d) Allotment
3. Goods received note is normally prepared in _____.
a) Six copies b) Five copies c) Four copies d) Three copies
4. A material loss during production or storage due to evaporation or shrinkage is called _____.
a) Scrap b) Waste c) Spoilage d) Material Loss.
5. Under Taylor differential piece rate system a worker whose production is higher than the standard will get _____ of normal piece rate.
a) 110% b) 115% c) 120% d) 130%
6. A _____ is a planned cost for a unit of product or service rendered.
a) Standard Cost b) Marginal Cost c) Opportunity Cost d) Historical Cost
7. The model and formula of Economic Order Quantity was developed by _____ in 1913.
a) F. W. Taylor b) F. Wilson Harris c) F. Walter Harris d) F. W. Marshall
8. _____ are not recorded in the books of account.
a) Implicit Cost b) Explicit Cost c) Sunk Cost d) All of the above.
9. Maximum level indicates _____.
a) Maximum inventory to be kept. b) Minimum inventory to be kept.
c) Average inventory to be kept. d) All of the above.
10. The method under which service center overheads are distributed to production department only is _____.
a) Primary distribution b) Secondary distribution
c) Apportionment. d) All of the above.

Q. 1. B. 1. Cost Accounting is a branch of Financial Accounting.**07**

2. Fixed Cost vary with volume rather than time.
3. FIFO method of pricing material issue results in higher profit.
4. Bin card shows the value of a material at any moment of time.
5. Labour turnover is the movement of people out of the organization.
6. Materials not forming part of the finished product are known as indirect materials.
7. Stores ledger is maintained by a store keeper.
8. The term inventory includes loose tools.
9. Staff salary is an administrative overhead.
10. Costing system helps in measuring profit.

Q. 2. A. Prepare Stores Ledger A/c on the basis of FIFO method using the following information: **08**

Opening Stock	5,000 units @ 25 per unit.
Purchases:	
March 13	2,000 units @ 24.50 per unit.
Sales:	
March 3	700 units
March 4	1000 units
March 8	800 units.
March 16	1,800 units
March 14	Returned to stores 150 units @ 24 per unit.

On 15th March there was a shortage of 50 units.

Q. 2. B. The following information is available: **07**

Particulars	Amount in Rs.
Normal consumption (in units)	8,000
Minimum consumption (in units)	4,000
Maximum consumption (in units)	12,000
Re- order quantity (in units)	48,000
Re-order period (in months)	4 to 6
Emergency purchase period (in months)	2

OR

Q. 2. C. The inventory records for the year 2023 shows the following figures: **08**

Particulars	Opening Stock	Purchases	Closing Stock
Material A	700	11,500	200
Material B	200	11,000	1,200
Material C	1,000	1,800	1,200

Q. 2. D. Calculate EOQ from the following information. Also state the number of orders to be placed a year. **07**

Consumption of material per annum- 10,000 kgs.

Order placing cost per order – Rs. 50

Storage cost 8% on average inventory

Cost per kg of raw materials - Rs. 2

Q:3 A The following information is supplied from costing records of a company: **08**

Particulars	Amount in Rs.	Particulars	Amount in Rs.
Rent	2,000	Insurance(stock)	1,000
Maintenance	1,200	Employer's contribution to P.F.	300
Depreciation	900	Energy	1,800
Lighting	200	Supervision	3,000

Particulars	Departments			
	A	B	C	D
Floor space (sq. mtr.)	150	110	90	50
Number of workers	24	16	12	8
Total direct wages(in Rs.)	8,000	6,000	4,000	2,000
Cost of machinery(Rs.)	24,000	18,000	12,000	6,000
Stock of goods (Rs.)	15,000	9,000	6,000	----

Prepare a statement showing apportionment of costs to various departments

- Q. 3. B.** 3 hours allowed to a worker to produce 6 units and wages has been paid @ Rs. 26 per hour. **07**
In a 48 hours' week the worker produced 136 units. You are required to calculate the total earnings and effective hourly rate of earnings of the worker under the following incentive wage systems.
1. Halsey (50%) system.
 2. Rowan System
 3. Emerson's Efficiency system
 4. Barth system

OR

- Q. 3. C.** A manufacturing concern has three production departments and two service departments. In July 2023, the departmental expenses were as follows: **08**

Production Departments	Amount in Rs.
A	16,000
B	13,000
C	14,000
Service Departments	Amount in Rs.
X	4,000
Y	6,000

Expenses of service department X and Y are apportioned as under:

Particulars	A	B	C	X	Y
Expenses of Department X	20%	25%	35%	----	20%
Expenses of Department Y	25%	25%	40%	10%	----

Prepare a statement of secondary distribution under repeated distribution method.

- Q. 3. D.** From the following data provided to you. Find out the labour turnover rate by applying. **07**
1. Replacement Method
 2. Separation Method
 3. Flux Method
- No. of workers on the payroll.
At the beginning of the month-1,600
At the end of the month -2,000
During the month, 20 workers left, 65 workers were discharged and 230 workers were recruited. Of these 35 workers were recruited in the vacancies of those leaving while the rest were engaged for an expansion scheme.

- Q. 4. A.** From the following particulars, compute the hourly rate of machine installed in a shop. **08**

Particulars	
Cost of Machine	Rs. 25,000
Estimated scrap value (after expiry of life of 10 years)	Rs. 5000
Shop supervisor salary	Rs. 500 per month
General lighting for the shop	Rs. 50 per month
Rent and rates of the shop per quarter	Rs. 500
Insurance premium for the machine	Rs. 20 per month
Estimated repairs and maintenance expenses	Rs. 200 per year
Power consumption of the machine	3 units per hour
Rate of power	100 units @ Rs. 10.
Estimated working hours of the machine per year	2,000

The machine occupies $\frac{1}{4}$ of the total floor area of the shop. The supervisor of the shop devotes $\frac{1}{5}$ of the time for supervising the machine.

General lighting expenses are to be apportioned on the basis of floor area.

Q.P. Code 00005718

- Q. 4. B** Mc Donald's Ltd. accepts varieties of jobs which require both manual and machine operations. The budgeted Profit & Loss Account for the period 2022-2023 is as follows: **07**

Particulars	Amount in Rs.
Direct Material	1,50,000
Add: Direct Labour	1,00,000
Prime Cost	2,50,000
Add: Production Cost	3,00,000
Cost of production	5,50,000
Add: Administration, Selling and Distribution Oh	2,00,000
Total Cost	7,50,000
Profit	1,50,000
Sales	9,00,000

Other budgeted data:

Labour hours for the period -2500

Machine hours of the period-1500

Number of jobs for the period -300

Calculate overhead absorption rates for absorption of production overhead cost by following methods.

1. Direct Labour Cost Method
2. Direct Labour hours Method
3. Machine Hours Method
4. Unit of Production Method
5. Direct Material Cost Method
6. Prime Cost Method

OR

- Q:4. C** The production department of a factory furnishes the following information for the month of October 2023. **15**

Materials consumed	Rs. 54,000
Direct Wages	Rs. 45,000
Labour hours worked	36,000
Hours of machine operation	30,000
Overheads chargeable to the department	Rs. 36,000
For an order executed by the department during the period the relevant information was as under:	
Materials consumed	Rs. 12,000
Direct Wages	Rs. 6,400
Labour hours worked	6,400
Hours of machine operation	4,800

You are required to calculate the overhead charges chargeable to the job by the following methods:

1. Direct material cost percentage rate.
 2. Direct Wages percentage rate.
 3. Labour hour rate
 4. Machine hour rate.
- Also prepare a comparative statement of cost of this order by the above methods.

- Q. 5. A.** Distinguish between Cost Accounting and Financial Accounting **08**

- Q. 5. B.** Define Cost and Explain the Cost Structure. **07**

OR

- Q. 5. C** Write Short Notes on (any three) **15**

1. Advantages of Cost Accounting.
2. Relationship between Cost Department with Other Department
3. Time Rate Method
4. Under absorption and Over absorption of overheads.
5. Material Control.
