

28/11/22

Exam - Regy. Sem 1 Nov - 2022

AIC1122

Sub: Cost-A/c

Class: FY BMR

TIME: 2 ½ HRS

MARKS: 75

Note: 1. All questions are compulsory

2. Figures to the right indicate full marks.

Q1.A. Multiple Choice question : [Any 8]

[8]

1. Operating costing is suitable for _____
 - a. Job order business
 - b. Contractor
 - c. Sugar Industries
 - d. Service Industries
2. The abbreviation "EOQ" stand for
 - a. Emergency ordered quantity
 - b. Economic order quantity
 - c. Economic order quality
 - d. Everyday ordering quantity
3. Directories remuneration and expenses form part of
 - a. Production O.H
 - b. Administration O.H
 - c. Selling O.H
 - d. Distribution O.H
4. The document which is prepared after receiving and inspecting Material.
 - a. Material record note
 - b. Goods received note
 - c. Bill of material
 - d. Inventory record
5. Stores department maintains a record in which a separate folio is Maintained for each item.
 - a. Store ledger
 - b. Stock register
 - c. Bin Card
 - d. Bill od material
6. Idle time is
 - a. Paid by the employer
 - b. Time wasted by worker
 - c. No paid by employer
 - d. All of the above
7. The method of remuneration to give stability of labour cost of the Employee is
 - a. Straight piece work
 - b. Premium bonus
 - c. measured day work
 - d. None of the above
8. Number of worker employed is used as a basis for this appointment of
 - a. Time office costs
 - b. Canteen expenss
 - c. Personnel department expensesd.
 - d. Any of these
9. Which one of the following is not considered for preparation of cost sheet.
 - a. Factory Cost
 - b. Goodwill written off
 - c. Labour Cost
 - d. Selling Cost

10. Absorption costing is also known as,

a. Historical costing

b. Real costing

c. Marginal costing

d. Standard costing

Q1.B. State True or False [Any 7]**[7]**

1. Marginal costs are not at all helpful to management for decision making.
2. Cost reduction is the primary responsibility of the cost accountant in any organisation.
3. Tender form is issued by the purchasing department.
4. Material losses due to careless handling resulting in breakage should be transferred to costing profit and loss a/c.
5. Material requisition note is prepared by the stores department.
6. Idle time arises when workers are paid on time basis or piece basis.
7. When the time saved is 50% of the standard time, both the Rowan and Halsey plans pay the same amount of Bonus.
8. Rent is not included in cost when premises are owned by the company.
9. Machine hour rate is separately computed for each machine.
10. Stores requisition note is not a perpetual inventory record.

Q2. Stock of material on 1-3-2013 was 1,000 units at Rs.10 per unit. The following purchases and issues were made during the month of March, 2013. **(15)**

Purchases

2-3-2013	2,000 units;	Rs.11 per unit
3;-3-2013	3,000 units	Rs.12 per unit
11;-3-2013	4,000 units;	Rs.13 per unit
21-3-2013	5,000 units	Rs.14 per unit

Issues

5-3-2013	5,400 units
15-3-2013	2,600 units
31-3-2013	5,000 units

You are required to prepare 1) Stock ledger A/c under FIFO method 2) Stock ledger A/c under Weighted Average cost method.

OR

Q2.For the manufacture of a certain product two components A and B re used. The following particulars about these components are available. **(15)**

	A	B
Normal usage (per week)	60 nos	60 nos
Maximum Usage (per week)	80 nos	80 nos
Minimum usage (per week)	30 nos	30 nos
Reorder quantity	400 nos	600 nos
Reorder period	4 to 6 weeks	2 to 4 weeks

You are required to calculate for each component:

- 1) Reordering level
- 2) Minimum level
- 3) Maximum level
- 4) Average stock level

Q3. From the following particulars work out the earnings for the week of a worker under: (15)

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

Number of working hour per week – 48

Wages per hour – Rs.7.50

Normal output per week-120 pieces

Actual output for the week – 150 pieces

Time allowed for actual production – 60 hours

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

OR

Q3. A) A worker produced 200 units in a week's time. The guaranteed weekly wage payment for 45 hours is Rs.81. The expected time to produce one unit is 15 minutes which is raised further by 20% under the incentive scheme. What will be the earnings per hour of that worker under Halsey (50% sharing) and Rowan bonus schemes? (8)

b) From the following information available you are required to calculate the Net wage bill as well as Total wages cost: (7)

1) As per the time cards the gross earnings of the workman is Rs.3,00, 000.

2) The various deductions from the gross earnings are as under:

Employees's contribution to Provident fund	Rs.25,000
ESI – Employees's contribution	Rs.4,000
Advances against wages	Rs.8,000
Co-operative dues	Rs.6,000
Canteen charges	Rs.1,000
Income tax	Rs.5,000

3) Company's contribution to Provident fund and ESI are Rs. 25,000 and Rs.8,000 respectively.

Q4. Amit Company has five departments; P, N, R and S are producing departments, and T is a service department. The actual costs for a period are as follows: (15)

Particulars	Amount
Repairs	2, 000
Rent	2, 500
Depreciation	1, 200
Supervision	4, 000
Insurance	1, 500
Employer's Liability of Employee's Insurance	1, 200
Light	3, 600

The following data are also available regarding the five departments:

Particulars	Departments				
	P	N	R	S	T
Area (square feet)	140	120	110	90	40
Number of workers	25	20	10	10	5
Total wages Rs	10, 000	8, 000	5, 000	5, 000	2, 000
Value of Plant Rs	20, 000	18, 000	16, 000	10, 000	6, 000
Value of stock Rs	15, 000	10, 000	5, 000	2, 000	--

Apportion the costs to various departments on an equitable basis.

OR

Q4. A) The summary as per primary distribution is as follows:

(8)

Production departments A – Rs.2,400; B – Rs.2,100; C – Rs.1,500

Service departments X – Rs.700; Y – Rs.900

Expenses of service departments are distributed in the ratios of:

X dept: A – 20%, B – 40%, C – 30%, and Y – 10%

Y dept: A – 40%, B – 20%, C – 20%, and X – 20%

Show the distribution of service costs among A, B and C under repeated distribution method.

b) A factory has three service departments L, M and N and two production departments – X and Y. The following are the expenses allocated and apportioned to the departments as per primary distribution summary. (7)

L	M	N	X	Y
Rs.10,000	Rs.8,000	Rs.12,000	Rs.30,000	Rs.40,000

The following additional information is also available on the basis of a detailed analysis made.

Particulars	Service Departments			Production Department	
	L	M	N	X	Y
L's service used	-	20%	30%	30%	20%
M's service used	-	-	40%	30%	30%
N's service used	-	-	-	60%	40%

Prepare a statement showing apportionment of service department overheads under the step method.

Q5.A) Difference between Direct cost and Indirect Cost.

(8)

b) ABC classification

(7)

OR

Q5. Write short notes on (any 3)

(15)

- a) Abnormal cost
- b) Bin Card
- c) Labour turnover
- d) Idle Time
- e) Advantages of Cost accounting