

Time 3 Hours

Total Marks 100

N.B.:

1. All questions are compulsory
2. Figures to the right indicate full marks allotted to the question
3. Calculate figures upto two decimal points whenever required
4. Working should form part of the answer

Q.1 A) Select the most appropriate answer from the following: (any ten)

10 Marks

1. Cost accounting is directed towards the need of -----
  - Government
  - External users
  - Internal users
  - Shareholders
2. Continuous stock taking is a part of -----
  - Annual stock taking
  - Perpetual inventory
  - ABC analysis
  - none of the above
3. The store keeper should initiate a purchase requisition when stock reaches -----
  - Minimum level
  - maximum level
  - Reorder level
  - Average level
4. Material requisition is meant for -----
  - Purchase of material
  - supply of material from stores
  - Sale of material
  - Storage of material
5. Difference between attendance time and job time is -----
  - Standard time
  - Over time
  - Actual time
  - Idle time
6. Normal idle time -----
  - Can be avoided
  - Can be minimized
  - Cannot be avoided
  - Can be controlled

7. Directors remuneration and expenses form part of -----
  - Production overhead
  - Administration overhead
  - Selling overhead
  - Distribution overhead
8. Overhead Expenses can be classified according to -----
  - Functions
  - elements
  - Behavior
  - All of the above
9. In the cost sheet, income from sale of empty containers used for dispatch of the goods produced shall be -----
  - added to cost of production
  - deducted from cost of production
  - added to sales
  - ignored
10. Cost of production minus administration expenses equals to -----
  - prime cost
  - Cost of sales
  - Works cost
  - Work-in-progress
11. In Reconciliation statement, closing stock under valued in financial accounts is -----
  - Added to Financial profit
  - deducted from financial profit
  - Added to costing profit
  - Ignored
12. Interest on investment increases -----
  - Financial profit
  - Costing profit
  - Assets
  - None of the above

**Q.1 B) Match the Columns from the following: (any ten)**

**(10 Marks)**

	Column A		Column B
1	Interest paid on loans	A	Where all cost can be directly charged to a group of products
2	Job Costing	B	Expenses debited only in the financial accounts
3	Batch costing	C	Cost containing both fixed and variable elements
4	Advertisement	D	Where all cost can be directly charged to a specific job

5	Canteen Expenses	E	Reorder level - (Normal consumption * Normal reorder period)
6	Minimum stock Level	F	Regulation of cost
7	Gantt task and bonus system	G	Combination of time and piece work system
8	Halsey system	H	Number of employees
9	ABC Analysis	I	Bill of Material
10	Cost control	J	Bonus equals to 50% of the wages of time saved
11	Semi Variable Cost	K	Selective control
12	Material Requisition	L	Sales value

Q 2 From the following particulars prepare a Cost sheet showing total cost and cost per unit for the period ended 31<sup>st</sup> March, 2019. (20 Marks)

Particulars	Amount Rs.
Direct Wages	4,40,000
Purchase of Raw Material	9,60,000
Factory Rent	1,40,000
Cost of Catalogues	68,400
Sundry Expenses	74,000
Depreciation on plant and Machinery	76,000
Opening stock of Raw material	1,00,000
Repairs to Office furniture	50,000
Carriage outward	1,02,600
Interest on Loan	50,800
Closing stock - Raw Material	60,000
Free Samples	55,100
Audit Fees	46,000
Demonstration Expenses	53,200
Furniture Loss by fire	32,000
Indirect Material	1,04,000
Office Salaries	1,10,000
Storekeeper's Salary	36,000
Depreciation - Office Equipments	40,000
Commission on Sales	62,700
Direct Expenses	3,60,000
Material Handling Charges	44,000
Machinery Purchased	5,00,000

**Other information**

- Closing stock of Finished goods was 2000 units to be valued at Cost of Production
- Units Sold during the year 18,000
- Profit desired is 20 % on Sales

Prepare a detailed Cost Sheet showing various elements of total and per unit cost and calculate selling price.

OR

Q 2 Following information is available for the year ended 31<sup>st</sup> March 2019 (20 Marks)

Direct Material		Rs. 72 per unit
Direct Labour		Rs. 30 per unit
Direct Expenses		Rs. 20 per unit
Factory Overheads		
	Fixed	Rs. 30,00,000
	Variable	Rs. 20 per Unit
Office Overheads-	Fixed	Rs. 25,00,000
Selling Overheads	Fixed	Rs. 10,00,000
	Variable	Rs. 50 per Unit
Units Produced and sold		50,000
Selling Price		Rs. 400 per Unit

Following estimates are available for the year ending 31<sup>st</sup> March 2020

- i. Units produced and sold will be doubled
- ii. Direct Material Cost per Unit will increase by 25 %
- iii. Direct Labour per Unit will decrease by 10 %
- iv. Direct Expenses per unit will increase by 10 %
- v. All fixed Overheads will increase by 10 %
- vi. All variable expenses will increase by 20 %
- vii. 80 % of the total output will be sold in local market at a profit of 20 % on Cost
- viii. Remaining 20 % output will be exported where the profit expected is 50 % on sales

Prepare Actual Cost Sheet for the year ending 31<sup>st</sup> March 2019 and Estimated Cost sheet for the year ending 31<sup>st</sup> March 2020 showing total and per unit Cost.  
 Calculate profit for the year ending 31<sup>st</sup> March 2019  
 Calculate Selling Price for the Local and Export Market  
 Calculate estimated total Profit for the year ending 31<sup>st</sup> March 2020

Q 3 From the following information prepare Stores ledger & find out the value of closing stock as per FIFO and Weighted Average cost method. (20 Marks)

The stock in hand of a material as on 1<sup>st</sup> March 2019 was 5000 units at Rs 20 per unit.

Date 2019	Transaction	Units	Rate per unit Rs
2 march	Sales	3000	30
7 march	Purchase	8000	22
8 march	Purchase	4000	23
12 march	Sales	3000	40
14 march	Purchase	4000	25
26 march	Sales	6000	45

Shortage of 15 Units was found on 31<sup>st</sup> march 2019.

Out of purchases on March 7<sup>th</sup> 100 units were returned to the supplier on March 10<sup>th</sup>.

OR

Q 3 (a) A Company requires 20,000 Kgs of material Y for the year. Cost of Carrying one KG of material is calculated to be Rs. 20 per annum. It is estimated that expenses of placing an order would be Rs. 500 per order

Calculate EOQ and number of orders to be placed per annum.

(10 Marks)

Q. 3 (b) From the following information calculate Machine hour Rate for the machine

(10 Marks)

Particulars	Amount Rs.
Purchase price of the Machine	4,50,000
Installation Charges	50,000
Rent – Per Quarter	30,000
General Lighting for total area- Per Month	2,000
Insurance Premium for the machine per Year	6,000
Foreman’s salary per annum	60,000
Estimated Repairs to Machine per annum	18,000

Power : 2 Units per hour @ RS 500 per 1000 units  
 Estimated life of Machine 10 years  
 Estimated Scrap Value at the end of 10<sup>th</sup> year Rs.1,00,000

Machine is expected to run for 20,000 hours during its life time

Machine occupies 25 % of the total area and foreman devoted 1/6<sup>th</sup> of his time for the machine

Q 4 The following data were obtained from the books of Aradhana Engineering Company for the half year ended 30<sup>th</sup> September 2018. The Company has Three production departments A,B and C And two Service Departments X and Y  
 (20 Marks)

Particulars	DeptA Rs	DeptB Rs	DeptCRs	DeptX Rs	DeptY Rs
Direct Wages Rs.	7,000	6,000	5,000	1,000	1,000
Direct Material Rs.	3,000	2,500	2,000	1,500	1,000
Employees Nos.	200	150	150	50	50
Electricity Kilo-Watt	8,000	6,000	6,000	2,000	3,000
Light Points Nos.	10	15	15	5	5
Assets Values Rs.	50,000	30,000	20,000	10,000	10,000
Area Occupied sq. metres	800	600	600	200	200

The expenses for 6 months are:

Particulars	Rs.
Store Overheads	800
Motive Power	3,000
Lighting	2,000
Labour welfare	9,000
Depreciation	6,000
Repairs and Maintenance	1,800
General Overheads ( proportionate to Direct wages)	15,000
Rent and Taxes	1,200

You are required to prepare Primary Overheads distribution summary for the departments showing clearly the basis of apportionment where necessary.

OR

Q 4 (a) From the following Information calculate the earning of worker under Halsey premium plan (50% of the time saved) and Rowan plan Separately. (10 Marks)

Time taken to complete job	60hours
Time allowed to complete Job	100hours
Per Hour rate of wages	Rs 30
Dearness Allowance	Rs10 per day of hours worked.
Working hours per day	8 hrs

Q 4 (b) Mr. Amardeep of Amla Co. Ltd. gets the following emoluments and benefits. (10 Marks)

Salary per month	Rs. 6250
Dearness allowance per month	Rs. 13125
Employer's contribution to provident fund	8% of salary and Dearness Allowance
Employer's contribution to E.S.I.	4% of Salary and Dearness Allowance
Bonus	20% of Salary and Dearness Allowance
Other Allowance	Rs. 68100

Amardeep works for 2200 hours per annum. But out of which 200 hours are non productive.

You are requested to find out the effective hourly cost of Amardeep

Q 5: a. Enumerate the reasons for difference between Financial profit and Cost profit. (10 Marks)  
 b. What do you mean Material Control? What are its objectives and advantages? (10 Marks)

OR

Q5: Write Short notes on any four of the following. (20 Marks)

1. Necessity of Cost Accounting
2. Stock levels
3. Idle time and Abnormal idle time
4. Methods of Costing
5. Allocation vs Apportionment of Overheads
6. Bin card