

KT

Mar-17

Sem-I

FY A&F (I) / Cost Accounting

Q.P. Code :00165

[Time: 2 $\frac{1}{2}$ Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. Question.No.1 is compulsory.
 2. Figure at right indicate full Marks
 3. Working should be the part of your answer.
 4. Use of Simple calculator is permitted.

Q.1. A) State whether the following statement is TRUE / FALSE and rewrite the sentence (Any 08)

08

1. EOQ is also called as re-order quantity.
2. The stock in hand may exceed the maximum stock level.
3. Overhead are also known as chargeable expenses.
4. Apportionment of overheads is allotment of whole items of cost to cost centers.
5. Delivery challan is an evidence of delivery of material.
6. Under FIFO Method, material purchased first are deemed to be issued last.
7. Dearness allowance is linked with cost of living index.
8. Labour is most important factor of production.
9. Rent is apportioned on the basis of floor area occupied.
10. The function of purchase Department is to produce goods.

B) Select correct alternative and rewrite the sentence (Any 7)

07

1. Depreciation on machine is appointed on the basis of
i) machine cost ii) machine hours iii) labour hours iv) labour cost
2. When prices fluctuated widely, the method that will smooth out the effect of fluctuations is.
i) Simple average ii) FIFO iii) Weighted Average iv) LIFO
3. The process by which cost items are charged direct to a cost unit is called.
i) absorption ii) Allocation iii) Allotment
4. Depreciation on machine is appointed on the basis of
i) machine cost ii) machine hours iii) labour hours iv) labour cost
5. The following is the most relevant use of the clock card
i) to measure employee efficiency
ii) to facilitate payment for the time spent on the work premises
iii) to calculate bonus payment
6. In times of rising prices, the pricing of issues will be at a more recent current market prices in
i) FIFO ii) LIFO iii) Weighted Average iv) Simple Average
7. Administrative overheads are recovered as a percentage of
i) direct materials ii) Prime cost iii) Works cost
8. Cost of designing is
i) Production cost ii) Indirect cost iii) Direct cost iv) Direct charges
9. Selling & distribution overheads are absorbed on the basis of
i) rate per unit ii) Percentage on works cost iii) percentage on selling price iv) Any of these
10. The method of remuneration to give stability of labour cost of the employee is
i) straight piece work ii) premium bonus iii) measured day work

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- Q.2. A) Two components A and B are use as follow
- Normal usage : 1500 units per week each
 - Maximum usage : 22500 units per week each
 - Minimum usage : 750 units per week each
 - Reorder quantity : A: 12000 units. B:18000 units
 - Reorder period for : A: 4 to 6 weeks. B: 2 to 4 weeks
- Calculate for each component:
1. Reorder level
 2. Minimum level
 3. Maximum level
 4. Average stock level

OR

- Q.2. A) A manufacturer buys certain equipment from outside suppliers at Rs. 30 per unit. Total annual needs are 1,600 units.

09

The following further data are available:
Annual return on investment 10%
Rent, insurance, tax, per unit per year Rs.1
Cost of placing an order Rs. 50
Determine the economic order quantity

07

- B) Determine the EOQ from the following particulars:
Annual consumption : 675 units
Cost of material : Rs.30 per unit
Cost of placing an order : Rs.18
Annual carrying cost of one unit: 10% of inventory value.

- Q.3. From the following particulars, you are required to work out the earnings of a worker for a week under:

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1. Straight piece rate.
2. Differential piece rate.
3. Halsey premium scheme (50% sharing)
4. Rowan premium scheme.

Weekly working hours :48

Hourly wage rate : Rs 15

Piece rate per unit : Rs. 6.00

Normal time taken per piece : 20 minutes

Normal output per week : 120 pieces

Actual output for the week : 150 pieces

Differential piece – rate 80% of piece rate when output below normal and 120 % of piece rate when output above normal.

OR

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- Q.3. From the following particulars, you are required to work out the earnings of a worker under :

1. Straight piece rate.
2. Differential piece rate.
3. Halsey premium system.
4. Rowan system.

Number of working hours per week :40

Wages per hour : Rs.40

Rate per piece : Rs 20

Normal time per piece : 10 minutes

Normal output per week :100 pieces

Actual output per week : 120 pieces

Differential piece rate: 80% of piece rate when output is below standard & 120% when above standard.

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Q.4. Sea rock Ltd. have 3 production department and 2 service Departments, calculate departmental overhead rate for each of production department assuming the overheads are recovered as a percentage of direct wages. 15

Particular	Production Dept.			Service Dept.	
	A	B	C	X	Y
Direct Wages	60,000	90,000	1,20,000	30,000	60,000
Direct Material	15,000	30,000	30,000	22,500	22,500
Staff Nos.	150	225	225	75	75
Electricity KWH	6,000	4,500	3,000	1,500	1,500
Assets Value	60,000	40,000	30,000	10,000	10,000
Light points	10	16	4	6	4
Area sq.ft.	1,500	2,500	500	500	500

The expenses for the period were:

	Rs.
Power	2,200
Lighting	800
Store overhead	1,600
Staff welfare	3,000
Depreciation	30,000
Repairs	6,000
General	12,000
Overhead rent & taxes	550

Apportion the expenses of service department Y according to direct wages & those of service department X in the ratio of 5:3:2 to the production department.

OR

Q.4. AV ltd has five department A,B,C,D and E. The actual costs incurred for the month of February , 2016 are as follows: 15

	Rs.
Repairs	21,000
Rent	25,000
Depreciation	14,000
Supervision	56,000
Insurance	12,800
Employer's liability for employees insurance	6,000
Lighting	18,000

The following data is also available in respect to the five departments:

Particulars	Dept. A	Dept. B	Dept. C	Dept. D	Dept. E
Area (sq.ft)	140	120	110	90	40
No. of workers	25	20	10	10	5
Total wages	1,00,000	80,000	50,000	50,000	20,000
Value of plant	2,00,000	1,80,000	1,60,000	1,00,000	60,000
Value of stock	1,50,000	1,00,000	50,000	20,000	-

Apportion the cost to the various departments on the equitable basis. Consider stock value as a basis for apportioning insurance cost.

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- Q.5. A) Explain the stock valuation methods in detail.
B) Explain the remedial measures for labour turnover.

08
07

OR

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Q.5 Write short notes (Any 3)

1. EOQ
2. Stock levels
3. Incentive plans
4. Cost allocation
5. Functions of stores department