

Duration: 2 ½ hours

C210NCA

Maximum Marks: 75

Note:-

- All questions are compulsory.
- Figures to the right indicate full marks.
- All questions carry equal marks.

Q.1.A. Select appropriate word: (Any 8)

(8 M)

1. An example of variable cost is
(a) Property taxes
(c) Direct material cost
(b) Interest on capital
(d) Depreciation of machinery
2. The storekeeper should initiate a purchase requisition when stock reaches
(a) Minimum level
(c) Re-order level
(b) Maximum level
(d) Average level
3. Perpetual inventory system involves
(a) Bin card and stores ledger
(c) Purchase requisition and purchase order
(b) Bill of material and material requisition
(d) Inward and Outward invoices
4. Labour turnover is
(a) Productivity of Labour
(c) Change in labour force
(b) Efficiency of the labour
(d) Total cost of the labour
5. Piece workers are paid on the basis of
(a) Output sold
(c) Output in stock
(b) Output produced
(d) Input received
6. Which of the following cannot be used as a base for the determination of overhead absorption rate?
(a) Number of units produced
(c) Conversion cost
(b) Prime cost
(d) Discount Allowed
7. Time keeping refers to
(a) Time spent by worker on their job
(c) Time spent by workers without work
(b) time spent by workers in the factory
(d) time spent by workers off their job
8. Indirect costs
(a) Can be traced to a cost object
(c) Are not important
(b) cannot be traced to a particular cost object
(d) are always variable costs
9. The costs associated with storage are an example of which cost category?
(a) Quality costs
(c) Ordering costs
(b) Labour costs
(d) Carrying costs
10. Price per unit Rs.150, annual consumption 2,000 units, ordering cost Rs.300 per order and other charges 20% of cost. What should be the quantity of each order?
(a) 150 units
(c) 225 units
(b) 200 units
(d) 175 units

Q.1.B. State whether the following statement are true or false.(Any 7)

(7M)

1. Staff salary is an administrative overhead.
2. Overheads is direct cost.
3. Fixed cost remains constant irrespective of output.

4. Under FIFO method, material purchased first are deemed to be issued last.
5. Piece rate method bring down productivity.
6. Wage plan promotes industrial peace.
7. EOQ is also called as re-order quantity.
8. Rent is apportioned on the basis of floor area occupied.
9. Overheads are also known as as chargeable expenses.
10. Material control is application of the controlling functions to the area of material management.

Q.2. A Company has three production department and two services department. Distribution summary of overheads is as follows.

| Production Department | |
|-----------------------|-----------|
| A | Rs.14,000 |
| B | Rs.15,000 |
| C | Rs.13,000 |

| Services Department | |
|---------------------|----------|
| X | Rs.9,000 |
| Y | Rs.3,000 |

| Departments | A | B | C | X | Y |
|-------------|-----|-----|-----|-----|-----|
| X | 40% | 30% | 20% | - | 10% |
| Y | 30% | 30% | 20% | 20% | - |

Apportion of cost service department by using.

1. Direct method
2. Repeated Distribution Method
3. Trial & Error Method.

(15M)

OR

Q.2. From the following particulars, compute the hourly rate of machine installed in a shop.

| | |
|---|-------------------|
| Cost of Machine | Rs.25,000 |
| Estimated scrap value (after expiry of life of life 10 years) | Rs.5,000 |
| Shop Supervisor salary | Rs.500 Per Month |
| General lighting for 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 & maintenance expenses | Rs.200 Per Year |
| Power consumption of the machine | 3 Units Per hour |
| Rate 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 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.

(15M)

Q.3.A. The following information is available;

| | |
|---------------------------|--------------|
| Normal Consumption | 8,000 Units |
| Minimum Consumption | 4,000 Units |
| Maximum Consumption | 12,000 Units |
| Re-order quantity | 48,000 Units |
| Re-order period | 4 to 6 Month |
| Emergency purchase period | 2 Month |

Calculate for each component

1. Re-ordering Level

2. Minimum Level
3. Maximum Level
4. Average Level
5. Danger Level

(08M)

Q.3.B. Calculate Economic order Quantity from the following information. Also state the no. of order to be placed in a year.

Consumption of material per annum 10,000 kg.

Order placing cost per order Rs.50

Storage cost 8% on average inventory

Cost per kg of raw material Rs.2

(07M)

OR

Q.3. From the following detail find out closing stock of Mahesh Industrial Ltd. as per FIFO method.

| Date | Purchase (Units) | Sales (Units) | Price per Unit (Rs.) |
|------------|------------------------|-----------------|----------------------|
| 1-11-2020 | 40 (Opening Balance) | - | 14.00 |
| 2-11-2020 | 30 | - | 15.00 |
| 4-11-2020 | 20 | - | 15.00 |
| 5-11-2020 | - | 40 | 18.5 |
| 10-11-2020 | - | 10 | 19.00 |
| 17-11-2020 | 30 | - | 16.00 |
| 20-11-2020 | - | 25 | 20.00 |
| 28-11-2020 | 50 | - | 13.00 |
| 30-11-2020 | - | 40 | 16.00 |

On 29-11-2020, two units were found damage and had to be discarded.

(15M)

Q.4. From the following information, calculate the earnings of a worker under Time Rate Method, Piece Rate method, Halsey plan and Rowan Plan.

Information given:

Standard Time: 30 Hours. Time taken: 20 Hours. Hourly rate of wages is Rs.1 per hour plus a dearness allowance @50 Paise per hour worked.

(15M)

OR

Q.4. Ramesh an employee of XYZ co. gets the following emoluments and benefits:

| | |
|-------------------------------------|-----------------------|
| a) Salary | Rs.2,500 Per Month |
| b) Dearness Allowance (D.A) | Rs.5,250 Per Month |
| c) Employer contribution to: | |
| - Provident Fund | 8% of Salary and D.A |
| - E.S.I | 4% of Salary and D.A |
| d) Bonus | 20% of Salary and D.A |
| e) Other Allowances | Rs.27,250 Per annum |

Ramesh works for Rs.2,400 hours per annum, out of which 400 hours are non-productive but treated as normal idle time. You are requested to find out the effective hourly cost of Ramesh.

(15M)

Q.5.A. Explain classification of cost.

(08M)

Q.5.B. Distinguish between Financial Accounting and Cost Accounting.

(07M)

OR

Q.5. Write Short note :(Any Three)

(15M)

a) All Level of Stock

b) Idle Time

c) Primary Distribution

d) Fixed cost and Variable cost

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