

Time: 3 Hrs

Marks 100

Note:

- All Questions are compulsory.
- Figures to the right indicate full marks allotted to the questions.
- Working Notes wherever necessary should form a part of your answer.
- Calculate figures up to the two decimal points wherever required.

Q1 a) **Select the most appropriate option and rewrite the full sentence (Any Ten)**

(10Marks)

- 1) Royalty on production is _____.
 - (a) Fixed cost
 - (b) Semi-Variable cost
 - (c) variable cost
 - (d) Semi-Fixed cost
- 2) _____ = Direct Material+ Direct labour+ Direct expenses.
 - (a) Prime cost
 - (b) administration cost
 - (c) selling cost
 - (d) Overhead
- 3) At _____, new order for material is placed.
 - (a) Maximum level
 - (b) Minimum level
 - (c) danger level
 - (d) Reorder level
- 4) _____ is the maximum of stock which can be held in stock at any time during the year.
 - (a) maximum level
 - (b) minimum level
 - (c) reorder level
 - (d) danger level
- 5) Labour Turnover is _____.
 - (a) Productivity of Labour
 - (b) Efficiency of the Labour
 - (c) Change in Labour Force
 - (d) Total Cost of the Labour.
- 6) Bonus under Halsey plan is paid at _____.
 - (a) 50% of time saved
 - (b) 75% of time saved
 - (c) 80% of time saved
 - (d) 90% of time saved
- 7) Tea & Lunch break is _____.
 - (a) Overtime
 - (b) Normal idle time
 - (c) Abnormal idle time
 - (d) Standard time

- 8) When the amount of overhead absorbed is less than the amount of overhead incurred, it is called _____.
- (a) under absorption of overhead
 - (b) over absorption of overhead
 - (c) proper absorption of overhead
 - (d) lower absorption of overhead
- 9) Indirect Cost _____.
- (a) Can Be traced to a particular cost object
 - (b) Cannot Be traced to a particular cost object
 - (c) Are not important
 - (d) Are always variable cost.
- 10) The process of charging the traceable overheads to cost centre is called as _____.
- (a) overheads allocation
 - (b) overheads charging
 - (c) overheads allotment
 - (d) overheads apportionment
- 11) Costs which are incurred on the basis of time and are charged to the period in which they are incurred are called as _____.
- (a) Fixed Costs
 - (b) Variable Costs
 - (c) Normal Cost
 - (d) Abnormal Cost
- 12) Selling & Distribution Overheads does not include _____.
- (a) Director's Fees
 - (b) Carriage on Sales
 - (c) Rent of Warehouse
 - (d) Advertisement

Q1 (b) **State whether the Following Statements are True or False (Any 10).**
(10 Marks)

1. Office rent is Prime cost
2. Administration Cost is not included in cost of Work in Progress.
3. Variable cost is the cost which does not vary with the changes in the volume of activity in the short run
4. Re-order level is calculated as Maximum level - Minimum level
5. Under the weighted average method, a new issue price is determined after each purchase
6. Materials are issued from one process to another, on the basis of Goods Received Note
7. Reconciliation of Cost and Financial Accounts is necessary in case of non-integrated system of accounts.
8. Profit on sale of investment is considered in cost accounts
9. Transit Insurance relates to Value of Goods in Transit
10. Preliminary expenses written off appears only in financial accounts.
11. In Halsey Plan, Time wages are guaranteed.
12. Idle time arises when workers are paid on piece basis.

Q2. a) The following information is available from the books of MK Ltd. for the year 2020 and 2021. (10 Marks)

Particulars	2020	2021
Stock Turnover Ratio	4 Times	?
Opening Stock Rs.	40,000	30,000
Closing Stock Rs.	80,000	50,000
Purchases Rs.	?	3,40,000

From the above information find out

1. Purchases and Cost of Goods sold for the year 2020.
2. Stock Turnover Ratio and Cost of Goods sold for the year 2021.

Q2. b) Vosco Ltd. has collected the following data for one of its material X which is as follows: (10 Marks)

Annual demand 48,000 units. Cost per item Rs. 20.
Interest of the locked-up capital 3%, pilferage while holding inventory 2%, other holding cost 5%,
Order processing cost Rs. 120 for each order

1. What should be the EOQ?
2. Calculate the Number of orders to be placed in a year.
3. Calculate the Total Annual Ordering Cost
4. Calculate the Total Annual Carrying Cost
5. Calculate the Total annual Material Cost

Or

Q2) Trading and Profit and Loss Accounts of X Ltd. for the year ended 31st March 2021.

Particulars	Rs.	Particulars	Rs.
To Materials Consumed	3,50,000	By Sales (12,500 units)	18,75,000
To Direct Wages	2,25,000		
To Factory Overheads	3,00,000		
To Gross Profit c/d	10,00,000		
	18,75,000		18,75,000
To Office Rent	75,000	By Gross Profit b/d	10,00,000
To General Expenses	75,000	By Dividend Received	13,500
To Management expenses	62,500	By Interest on Investment	6,500
To Advertisement	1,25,000		
To Salesmen Commission	1,50,000		
To Goodwill w/off	22,500		
To Interest on Loan	14,500		
To Net Profit c/d	4,95,500		
	10,20,000		10,20,000

For the year ending 31st March 2022 following estimates have been made:

1. Production and sales units will be doubled.
2. Direct material cost per unit will rise by 20%.