

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. In production of furniture wood is a \_\_\_\_\_ material.  
a. Direct      b. Indirect      c. Semi variable      d. Hazardous
2. In fashion industry, fabric thread and buttons are \_\_\_\_\_ material for making clothing.  
a. Direct      b. Indirect      c. Semi variable      d. Hazardous
3. The \_\_\_\_\_ cost of using a company vehicle for a personal trip is the revenue the company could have earned by renting it out.  
a. Sunk Cost      b. Relevant Cost      c. Irrelevant Cost      d. Opportunity Cost
4. The \_\_\_\_\_ level is the ideal quantity to order to minimize both ordering and holding costs:  
a. EOQ      b. Maximum      c. Minimum      d. Danger
5. In ABC analysis, \_\_\_\_\_ items typically represent items with moderate or intermediate value and significance compared to A items but more than C items.  
a. Category A      b. Category B      c. Category C      d. Category D
6. \_\_\_\_\_ assumes that the oldest inventory is sold first and that the newest inventory is left in stock  
a. FIFO      b. LIFO      c. Weighted Average Method      d. FIFO
7. In \_\_\_\_\_, employees are compensated based on the quantity or number of units they produce or tasks they complete.  
a. Piece work plan      b. Halsey Premium Plan      c. Rowan System      d. Gantt's Task
8. The \_\_\_\_\_ is a labour payment plan that considers both quantity or output and time efficiency.  
a. Piece work plan      b. Halsey Premium Plan      c. Rowan System      d. Gantt's Task
9. Royalty paid is a part of \_\_\_\_\_

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- a. Prime Cost   b. Factory Cost   c. Administrative cost   ~~d. Selling Cost~~
10. Store keepers salary is a part of \_\_\_\_\_  
 a. Prime Cost   b. Factory Cost   c. Administrative cost   d. Selling Cost
11. Net profit as per cost records is Rs.15000 Interest on Investment not recorded in cost books is Rs. 3000. Calculate profit as per financial records.  
 a. Rs. 15000   b. Rs. 3000   c. Rs. 18000   d. Rs. 12000
12. Net profit as per cost records is Rs.15000. Bad debts debited in financial records is Rs. 3000. Calculate profit as per financial records.  
 a. Rs.15000   b. Rs. 3000   c. Rs. 18000   d. Rs.12000

Q1 (b) Match the Columns (Any 10).

(10 Marks)

Group A	Group B
1) Bank Charges	a) Selling Overheads
2) Coding System	b) Individual bonus plan
3) Ordering Cost	c) Administrative cost
4) Economic Order Quantity	d) Service cost centre
5) Idle Time	e) Facilitates entry collation
6) Rowan Premium Plan	f) Excluded in cost book
7) Over Absorbed Overheads	g) Chargeable expenses
8) Quality Control	h) Absorbed overheads less Actual overheads
9) Prime Cost	i) Goods inspection expenses
10) Loose tools written off	j) Power failure
11) Upkeep of delivery Vans	k) Size of purchase order
12) Loss by Fire	l) Factory Overheads

2A

M/s. Ashish Manufacturing Company manufactures two types of products viz. M and N. The information for the year ended on 31<sup>st</sup> March, 2022 is as under:

Particulars	Products	
	M (Rs.)	N (Rs.)
Direct Material per unit	300	360
Direct labour per unit	180	150
Direct expenses per unit	120	240

**Additional Information:**

1. Factory expenses are charged at 20% of prime cost.
2. Office expenses are charged at 25% of works cost
3. 6,000 units of product M were produced of which 4,500 units were sold and 15,000 units of product N were produced of which 13,500 units were sold.

*factory cost / work cost  
 (1) office and administrative overhead  
 Cost of Product  
 (1) opening stock  
 (1) closing stock  
 Goods sold of cost  
 (1) profit on sales*

4. Selling expenses are Rs.45 per unit for product M and Rs.60 per unit for product N.
  5. Company charges a profit at 20% on sales for both the products
- Prepare a cost sheet showing the cost and profit in total as well as in per unit.

(20 Marks)

OR

2B (i)

From the following information value closing stock as on 30-9-2023 applying Weighted Average Method.

	Units	Rate Per Unit (Rs)
<b>Opening Stock</b>		
01/09/2023	7,875	10.00
<b>Purchases</b>		
17/09/2023	4,830	8.40
22/09/2023	2,520	9.00
<b>Sales</b>		
09/09/2023	3,255	13.20
18/09/2023	2,415	12.60
20/09/2023	3,045	10.80
30/09/2023	4,935	11.40

(10 Marks)

2B(ii)

Calculate the machine hour rate to cover the overhead expenses related to a machine.

Sr. No.	Particulars	
1	Cost of the machine	Rs 950000
2	Installation charges of the new machine	Rs 75000
3	Estimated scrap value of the machine	Rs 25000
4	Oil and Lubrication	Rs 7500 per quarter
5	Consumable Stores	Rs 1000 per month
6	Consumption of electric power per hour	20 units
7	Rate of electric power per unit	Rs 0.50
8	Foreman's salary per month (1/6 <sup>th</sup> for this machine)	Rs 6000
9	Cotton waste etc. Each Machine (Per Quarter)	Rs 5000

It is estimated that the life of the machine is 10 years and will work for 10000 hours per annum.

(10 Marks)

*Q. rate and quantity*



3A

i) The Purchase Department of your organisation has received an offer of quantity discounts on its order of materials as under: [10 Marks]

<u>Price per tonne</u>	<u>Order (in tonnes)</u>
Rs.2,800	Less than 1,000
Rs.2,760	1,000 but less than 2,000
Rs.2,720	2,000 but less than 4,000
Rs.2,680	4,000 but less than 6,000
Rs.2,640	6,000 and above

The annual requirement of the material is 10,000 tonnes. The delivery cost/ordering cost per order is Rs.1,800 and the annual stock holding cost/carrying cost is estimated at 20 percent of the average inventory. The purchase department wants you to consider the following purchase options and advise which among them will be the most economical ordering quantity, presenting the relevant information in a tabular form. The purchase quantity options to be considered are 800 tonnes, 1,000 tonnes, 2,000 tonnes, 4,000 tonnes and 6,000 tonnes.

ii) Inventory records of Shrinidhi Ltd. Shows the following information: (10 marks)

<u>Details</u>	<u>Material R (Rs.)</u>	<u>Material S (Rs.)</u>
Material in hand on 1.4.2022	1,00,000	2,00,000
Material in hand on 31.3.2023	50,000	75,000
Material purchased during the year	4,50,000	5,75,000

Calculate:

1. Material turnover ratio regarding each of these materials
2. Express in number of days the average inventory held
3. State which of the two materials is slow moving material

OR

3B

The following data was obtained from the books of Space Ltd. for the year ended 31<sup>st</sup> March 2023.

Sr. No.	Particulars	Departments				
		A	B	C	D	E
1	Direct Materials (Rs.)	90000	125000	75000	25000	35000
2	Direct Wages (Rs.)	70000	90000	50000	25000	15000
3	Floor Space Area (Square Feet)	1000	1500	750	650	600
4	Value of Plant and Machinery (Rs.)	450000	850000	350000	200000	150000
5	Number of Employees	9	11	6	5	4

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6	Value of Stock (Rs.)	12000	15000	13000		
7	Kilowatt-hour (kWh)	12	16	7		
8	Number of Light Points	16	20	12	7	5

Departments A, B and C are Production Departments.

Departments D and E are Service Departments.

Sr. No.	Particulars	Amount (Rs.)
1	Lighting	13500
2	Contribution to Provident Fund	16250
3	Labour Welfare Expenses	18900
4	Insurance of Plant and Machinery	15000
5	Depreciation of Building	56250

You are required to prepare Primary Overhead Distribution Summary for the departments showing clearly the most suitable basis of apportionments wherever necessary.

(20 Marks)

4A(i)

RS Ltd. showed net loss of Rs 2,30,500 as per their financial accounts for the year ended 31st March, 2022. However, cost accounts disclosed net loss of Rs 2,45,000 for the same period. On scrutinising both the set of books of accounts the following information were revealed:

Particulars	Rs
Factory overheads over recovered	30,000
Distribution overheads under recovered	20,000
Administrative overheads under recovered	27,500
Depreciation over charged in Cost Accounts	34,000
Bad debts w/off in Financial Accounts	14,500
Preliminary expenses w/off in Financial Accounts	4,500
Interest credited during the year in Financial Accounts	7,000
Notional Salary charged in Cost Accounts	10,000

Prepare a reconciliation statement reconciling losses shown by the financial and cost accounts by taking costing net loss as base.

(10 Marks)

4A (ii)

Calculate the earnings of A and B from the following particulars for a month and allocate the labour cost to each job X, Y and Z:

Particulars	A	B
Basic Wages	Rs.400	Rs.520
Dearness Allowance	50%	50%
Contribution to Provident Fund(on basic wages)	8%	8%
Contribution to Employees' State Insurance(on basic wages)	2%	2%
Overtime	Hours 10	

The normal working hours for the month are 400. Overtime is paid at double the total of basic wages and dearness allowance. Employer's and Employee's contribution to State Insurance and Provident Fund are at equal rates. The two workers were employed on jobs X, Y and Z in the following proportions:

	Jobs		
	X	Y	Z
Workers A	40%	30%	30%
Workers B	25%	35%	40%

Overtime was done on job Z at the request of the customer.

(10 Marks)

**OR**

**4B**

Standard output per hour 250 units. Actual output in a 180 hour week is 50,000 units. Wage rate is Rs.300 per hour. Dearness allowance is Rs. 30 per hour. Calculate Total Earnings under:

- i. Time Rate
- ii. Piece Rate
- iii. Halsey Premium System
- iv. Rowan Premium System
- v. Gantt Task Bonus System

(20 marks)

**Q 5**

- A. State the Functions of cost accounting? (10 Marks)
- B. What are the factors considered in fixation of stock level? (10 Marks)

**OR**

Q5 Write Short Notes (Any Four out of Six)

(20 Marks)

1. EOQ.
2. Gantt's Task.
3. Idle Time
4. Factory Overheads.
5. Causes of disagreement between costing profit and financial profit.
6. Limitations of cost accounting.

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