



Date: 25-10-2018  
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

**Section A**

*Answer all the questions:*

*(10 X 2 = 20)*

1. What is cost accounting?
2. State the significance of EOQ?
3. List out the reasons for labour turnover.
4. What is job costing?
5. What is overheads?
6. Mr. Rahul a worker in a factory is paid on time basis. During the month of October 2010 he has worked for 200 hours. His hourly wage rate is Rs. 100 per hour. Calculate the wages of Mr. Rahul for the month of October 2010.
7. Find the overtime hours and overtime wages from the following:  
Actual hours worked: 50, Normal working hours: 40 and Normal wage rate: Rs.25 per hour.
8. From the following calculate the total passenger kms : (a) No. of buses- 100. (b) No. of days operated in a month – 28. (c) No. of trips by each bus per day- 2 trips. (d) Distance of route- 25 Kms. (one side). (e) Capacity of the bus – 50 passengers. (f) Normal capacity- 80%.
9. Calculate Raw material consumed from the following information:  
Raw material purchased – Rs.1,60,000, Sale of Material scrap- Rs.2,000, Opening stock of Raw materials- Rs.24,000 and Closing stock materials- Rs.42,000.
10. Find out the amount of rent apportioned to each department:  
Rent: Rs. 16,000; space occupied by departments: A- 200 Sq. feet, B- 400 Sq. feet , C- 600 Sq. feet and D- 800 Sq. feet.

**Section B**

*Answer any five questions:*

*(5 X 8 = 40)*

11. Explain the objectives of cost accounting.
12. What is operating costing? Explain the procedures involved in transport costing.
13. Write the difference between contract costing and Job costing.

14. On June 30<sup>th</sup> 2004 the account of contract number 75 showed the following amounts as expended thereon:

Particulars	Rs.	Particulars	Rs.
Materials directly purchased	90,000	Materials issued from stores	25,000
Plant purchased	80,000	Wages	1,22,000
Direct expenses	12,000	Proportionate establishment charges	27,000

The contract was Rs. 7,50,000 and up to 30<sup>th</sup> June, 2004 Rs. 2,90,000 had been received in cash which represented 80% of work certified by the architect. The materials on site unconsumed were valued at Rs. 7,500. The depreciation on plant worked out to Rs.8, 000. Prepare the contract account showing what profit there in had been earned to date. Also state what amount should, in your opinion, be taken to profit and loss account of the period.

15. Calculate machine hour rate from the following:

Particulars	Rs.	Particulars	Rs.
Cost of machine	80,000	Cost of installation	20,000
Scrap value after 10 years	20,000	Rent, rates per quarter for the shop	3,000
General lighting (per month)	200	Shop supervision per quarter	6,000
Insurance premium p.a	600	Estimated repairs p.a	1,000

Power 2 units per hour at Rs. 50 per 100 units. Estimated working hours per annum 2,000. The machine occupies 1/4<sup>th</sup> of the total area of the shop. The supervisor devotes 1/6<sup>th</sup> of his time for supervising this machine. General lighting is to be apportioned on the basis of floor area.

16. Prepare reconciliation statement from the following information

Profit as per financial accounts- Rs.1, 000  
 Less depreciation charged in cost accounts-Rs.1, 000  
 Factory overhead absorbed in cost accounts – Rs.3, 500  
 Factory expenses incurred – Rs. 3,000.  
 Administration overhead under recovered – Rs.2, 500.  
 Provision for doubtful debts – Rs. 1,000  
 Income tax paid – Rs.2, 500  
 Dividend received- Rs. 4,000

17. Two components X and Y are used as follows:

Normal usage: 600 units per week each  
 Maximum usage: 900 units per week each

Minimum usage: 300 units per week each

Reorder quantity: X- 4,800 units , Y- 7,200 units

Reorder period: X- 4 to 6 weeks, Y- 2 to 4 weeks.

Calculate for each component:

(a) Reorder level (b) Minimum Level (c) Maximum level (d) Average stock level.

18. From the following information calculate the earnings of the worker under: (a) Time rate system (b) Piece rate system (c) differential piece rate system (d) Halsey premium system (e) Rowan System. Number of working hours per week 48, Wages per hour- Rs.37.50, Normal time per piece- 20 minutes, Rate per piece – Rs. 15, Normal output per week- 120 pieces and Actual output for the week- 165 pieces. Differential piece rate: 80% of piece rate when output is below standard and 120% when above standard.

### Section C

*Answer any two questions:*

*(2 X 20 = 40)*

19. Prepare stores ledger under (a) FIFO method and (b) LIFO method

1<sup>st</sup> July 2010- opening stock 2,000 unit at Rs. 20 each

5<sup>th</sup> July- received 1,000 units at Rs. 22 each

6<sup>th</sup> July - issued 1500 units

10<sup>th</sup> July- received 5,000 units at Rs. 24 each

14<sup>th</sup> July - issued 600 units

20<sup>th</sup> July - issued 150 units

25<sup>th</sup> July- received 500 units at Rs. 28 each

28<sup>th</sup> July- issued 300 units.

20. Prepare cost sheet from the following information:

Particulars	Rs.
Stock on hand on 1 <sup>st</sup> December 2012- Raw material	25,000
Stock on hand on 1 <sup>st</sup> December 2012- Finished goods	17,000
Stock on hand on 31 <sup>st</sup> December 2012- Raw material	26,000
Stock on hand on 31 <sup>st</sup> December 2012-Finished goods	15,000
Purchases of Raw materials	21,000
Carriage on purchases	1,000
Work- in – progress on 1 <sup>st</sup> December 2012	8,000
Work- in – progress on 31 <sup>st</sup> December 2012	9,000
Sale of finished goods	72,000

Direct wages	17,000
Non productive wages	800
Direct expenses	1,000
Factory overheads	8,000
Administrative overheads	3,000
Selling and distribution overheads	4,000

21. Ramsons Ltd. produces a product which goes through three processes A, B and C before it is finished and sent to the godown for distribution. From the following details ascertain the cost of product at the end of each stage of production.

Particulars	Process A (Rs.)	Process B (Rs.)	Process C (Rs.)
Raw materials	10,000	-	-
Other direct materials	30,000	20,000	10,000
Direct wages	10,000	20,000	30,000
Overheads	10,000	8,000	20,000
Output in units	15,000	14,000	17,000
Opening stock (units from previous process)	-	6,000	5,000
Closing stock ( units from the previous process)	-	5,000	1,000

22. Rahul manufacturers Ltd, have three production departments A,B,C and two service departments P and Q, the details pertaining to which are as under:

Particulars	A	B	C	P	Q
Direct wages	12,000	8,000	12,000	6,000	2,000
Value of machine (Rs.)	48,000	64,000	80,000	4,000	4,000
H.P. of machine	60	30	50	10	-
Light points	40	60	80	40	20
Floor area ( Sq. feet)	1,000	1,250	1,500	1,000	250

The following figures extracted from the accounting records are relevant: Rent Rs.30,000, Municipal taxes Rs.10,000, Electricity Rs.4,800, Indirect wages Rs. 12,000, Power Rs.12,000, Depreciation on machines Rs.80,000 , Canteen expenses Rs.60,000 and Other labour related costs Rs.20,000.

The expenses of service departments are allocated as under:

Particulars	A	B	C	P	Q
P	30%	40%	20%	-	10%
Q	40%	30%	20%	10%	-

Calculate the total overheads of the three production department.

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