



Date: 25-04-2017
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

SECTION- A ANSWER ALL QUESTIONS (10x2=20 MARKS)

1. What is a 'Cost Sheet'?
2. (I) Tender is an
 - (a) Estimation of cost only
 - (b) Estimation of Profit only
 - (c) Estimation of selling price
 - (d) None of these(II) Conversion cost excludes
 - (a) Labour cost
 - (b) Factory overheads
 - (b) Direct expenses
 - (d) Direct material cost
3. Write a note on ABC analysis.
4. From the following figures, calculate Economic Ordering Quantity and number of orders to be placed in each year.

Annual consumption of materials= 4000 Units
Cost of buying per order = Rs. 5
Cost per unit = Rs. 2
Storage and carrying cost = 8% on average inventory.
5. Write a short note on 'labour turnover'.
6. A worker is paid at 25 paise per hour for completing a work within 8 hours. If he completes the work within 6 hours; calculate his wages under Halsey Plan when the rate of premium is 50%.
7. What are fixed and variable overheads?
8. From the following data calculate machine hour rate.

Estimate factory over head 58,000
Estimated machine hours 50,500
9. Write any two differences between Job costing and contract costing.
10. A product passes through two processes. The following details relate to process 'A'. You are required to ascertain the process cost to be transferred to process 'B'.

	Rs.
Direct materials (1000 units)	12,000
Direct wages	8,000
Direct expenses	5,000
Overheads	11,000

Input 1000 units; output 1000 units as there was no loss of units.

SECTION –B ANSWER ANY FOUR QUESTIONS (4x10=40 MARKS)

11. State the objective of preparing a cost sheet.
 12. From the following figures prepare a reconciliation statement between cost and financial records:

	Rs.
Net profit as per financial records	1, 28,755
Net profit as per costing records	1, 72,400
Works overhead under- records in costing	3,120
Administrative overhead recovered in excess	1,700
Depreciation charged in financial records	11,200
Depreciation recovered in costing	12,500
Interest received but not included in costing	8,000
Obsolescence loss charged in financial records	5,700
Income tax provided in financial books	40,300
Bank interest credited in financial books	750
Store adjustment (Credit in financial books)	475
Depreciation of stock charged in financial books	6,750

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

Minimum usage	: 50 units per week each
Maximum usage	: 150 units per week each
Normal usage	: 100 units per week each
Ordering quantities	: X- 600 units Y- 1,000 units
Delivery Period	: X- 4 to 6 weeks Y- 2 to 4 weeks

Maximum reorder period for emergency purchases X: 2 weeks Y: 2 weeks.

Calculate for each component:

- (a) Reorder level
- (b) Maximum level
- (c) Minimum level
- (d) Danger level

14. Discuss the important incentive systems of wage payment.
 15. From the following information prepare a cost sheet for the month of January.

	Rs.
Stock of raw materials on 1 st January	25,000
Stock of raw materials on 31 st January	26,200
Purchase of raw materials	21,900
Carriage on purchases	1,100
Sale of finished goods	72,300
Direct wages	17,200
Non-productive wages	800
Direct expenses	1,200
Factory overheads	8,300
Administrative overheads	3,200
Selling overheads	4,200

16. Distinguish between job costing and process costing.

17. From the following information of velmurugan Construction Company prepare the contract amount for 2009. Also show what part of the profit on the contract should be taken credit of in 2009. The contract was for Rs.8, 00,000.

	Rs.
Materials issued from stores	1, 50,000
Wages paid	2, 20,000
General charges	8,000
Plant installed at site on 1 st July 2009	40,000
Materials on hand at due	8,000
Wages accrued due	8,000
Work certified	4, 00,000
Work completed but not certified	12,000
Cash received	3, 00,000
Materials transferred to other contracts	8,000
Depreciation on plant is to be provided at 10% per annum	2000

SECTION –C

ANSWER ANY TWO QUESTIONS

(2x20=40 MARKS)

18. (a) Distinguish between Financial Accounting and Cost Accounting.

(b) Distinguish between Management Accounting and Cost Accounting.

19. Draw a stores ledger card recording the following transaction under

(a) FIFO method and (b) LIFO Method

2010 July 1. Opening stock 2,000 units at Rs.10 each.

5. Received 1,000 units at Rs. 11 each

6. Issued 500 units.

10. Received 5,000 unit at Rs. 12 each.

12. Received back 50 units out of the issue made on 6th July.

14. Issued 600 units.

18. Returned to supplier 100 units out of goods received on 5th.

19. Received back 100 units out of the issue made on 14th July.

20. Issued 150 units.

25. Received 500 units at Rs. 14 Each.

28. Issued 300 units.

The stock verification report reveals that there was a shortage of 10 units on 18th July and another shortage of 15 units on 26th July.

20. M Ltd has production departments A,B, and C and two service departments S1 and S2

Monthly expenses in Rs

Rent- 5,000: Indirect wages- 1,500: Lighting-600: Depreciation- 10,000: Power- 1,500:

Sundries- 10,000; Additional Information:

Particulars	Production Departments			Services Departments	
	A	B	C	S1	S2
Floor Space (sq. feet)	2,000	2,500	3,000	2,000	500
Light points	10	15	20	10	5
Wages (Rs)	3,000	2,000	3,000	1,500	500
H.P.of Machines	60	30	50	10	
Value of machines	60,000	80,000	1,00,000	5,000	5,000
Working hours	6,226	4,028	4,066	—	—

The expenses of S₁ and S₂ are to be divided as follows.

	A	B	C	D	E
S1	20%	30%	40%	-	10%
S2	40%	20%	30%	10%	-

Calculate overhead charges recovery per hour.

21. Mr. A owns a fleet of taxis and the following information is available from the records maintained by him.

Number of taxis	-	10
Cost of each taxi	-	Rs. 54,600
Salary of manager	-	Rs. 700 p.m.
Salary of accountant	-	Rs. 500 p.m.
Salary of cleaner	-	Rs. 200 p.m.
Salary of mechanic	-	Rs. 400 p.m.
Garage rent	-	Rs. 600 p.m.
Insurance premium	-	5% p.a.
Annual tax	-	Rs. 900 per taxi.
Driver's salary	-	Rs. 350 p.m. per taxi.
Annual repairs	-	Rs. 1,000 per taxi.

Total life of a taxi is about 2, 00,000 kms. A taxi runs in all 3,000 kms in a month and 30% of this distance has to be run without any passenger. Petrol consumption is one litre for every 10 kms at Rs.4.41 per litre. Oil and other expenses are Rs.10.50 per 100 kms.

Calculate the cost of running a taxi per km.
