

12 Chintu, Bunty and sinu are working in a factory and paid as follows:

| | | |
|----------------------|---|------------------|
| Normal rate per hour | : | Rs 6 |
| Piece rate | : | Rs 5 per unit |
| Standard | : | 3 Units per Hour |

In a 48 Hours week, they produced 120 units ,130 units and 125 units respectively.

Calculate the earnings of workers under:

- Taylor's Differentials Rate System, and
- Gantt's task and Bonus system.

13 Compute the Machine hour rate from the following data:

| | Rs |
|---|----------|
| Cost of machine | 1,00,000 |
| Installation charges | 10,000 |
| Estimated scrap value after the expiry of life(15 years) | 5,000 |
| Rent and rates for the shop per month | 200 |
| General lighting for the shop per month | 300 |
| Insurance premium for the machine per annum | 960 |
| Repairs and maintenance per annum | 1000 |
| Power consumption -10 units per hour | - |
| Rate of power per 100 units | 20 |
| Estimated working hours per annum (This includes setting up time of 200 hours) | 2200 |
| Shop supervisor's salary per month | 600 |

The machine occupies 1/4th of the total area. The supervisors is expected to devote 1/5th of his time for supervising the machine.

14 'A' undertook several large contracts and his ledger contained therefore a separate account for each contract. On 31.12.2018 the account of contract number 22 showed the following amounts as expended thereon.

| | |
|-------------------------------------|-------------|
| Materials directly purchased | Rs 1,80,000 |
| Materials issued from stores | Rs 50,000 |
| Wages | Rs 2,44,000 |
| Direct expenses | Rs 24,000 |
| Plant purchased | Rs 1,60,000 |
| Proportionate establishment charges | Rs 54,000 |

The contract was for Rs 15,00,000 and up to 31-12-2018 Rs 6,00,000 had been received in Cash which represented 80% of work certified.

The material at site unconsumed were valued at Rs 15,000. The contract plant was to be depreciated by Rs 16,000.

Prepare the contract showing what profits thereon have been earned to date.

15 List the features of good wage system and explain the various method of wage payment system.

16 Pallavan Transport Corporation runs the following fleet of buses in a particular area of Chennai for 30 days in a month :25 buses of 50 passenger capacity, on an average each bus makes 10 trips a day covering a distance of 8 kms in each trip with 75% of seats occupied. Generally,10% buses are kept from the for repairs.

| | Rs |
|-----------------------------------|----------|
| Monthly expenses: | |
| Rent | 2,500 |
| Road tax | 500 |
| Salary of chief operating manager | 1,500 |
| Salary of three assistant manager | 800 each |
| Salary of four supervisors | 400 each |
| Wages of 30 cleaners | 100 each |
| Wages of 25 drivers | 240 each |
| Wages of 25 conductors | 200 each |

| | |
|------------------------|--------|
| Consumable stores | 4,500 |
| Diesel | 34,000 |
| Lubricants | 5,500 |
| Replacement of tyres | 1,750 |
| Miscellaneous expenses | 2,750 |
| Depreciation | 6,500 |
| Workshop expenses | 3,500 |

Calculate the cost per passenger km of operating the service.

- 17 The information given below has been taken from the costing records of an engineering works in respect of Job No:303

Materials Rs 4000

Wages :

Department A - 60 Hours at Rs 3 per hour

Department B – 40 Hours at Rs 2 Per hour

Department C - 20 Hours at Rs 5 per hour

Overhead of these departments were estimated as follows:

Variable overheads :

Department A – Rs 5000 for 5000 labour hours

Department B – Rs 3000 for 1500 labour hours

Department C - Rs 2000 for 500 labour hours

Fixed Overheads :

Estimated at Rs 20,000 for 10000 normal working hours.

You are required to calculate the cost of Job303 and calculate the price to give a profit of 25% on selling Price.

PART – C

Answer any TWO questions:

(2 x 20 = 40 Marks)

- 18 The following is the history of the receipts and issues of material in a factory, during February. Prepare stores ledger account using FIFO and LIFO methods.

| | | |
|-------|-------------------------------------|----------------------|
| Feb 1 | Opening stock | 500 units @ Rs 25 |
| 2 | Issued | 70 units |
| 4 | Issued | 100 units |
| 7 | Issued | 80 units |
| 13 | Received from supplier | 200 units @ Rs 24.50 |
| 14 | Refund of surplus from a work order | 15 units @ Rs 24 |
| 16 | Issued | 180 units |
| 22 | Received from supplier | 240 units @Rs 24.37 |
| 24 | Issued | 304 units |
| 25 | Received from supplier | 320 units @Rs 24.31 |
| 26 | Issued | 112 units |
| 27 | Refund of surplus from a work order | 12 units @Rs 24.50 |
| 28 | Received from supplier | 100 units @Rs 24 |
| 28 | Refund to supplier | 50 units |

The store verifier of the factory noted that on 15th Feb, he had found a shortage of 5 units and on 27th Feb. Another shortage of 8 units.

- 19 The following details have been obtained from the cost records of Bajaj Ltd.

₹

| | |
|---|----------|
| Stock of Raw Materials on 1 st Dec 2018 | 75,000 |
| Stock of Raw Materials on 31 st Dec 2018 | 91,500 |
| Direct wages | 52,500 |
| Indirect wages | 2,750 |
| Sales | 2,11,000 |
| Work in progress 1 st Dec 2018 | 28,000 |
| Work in progress 31 st Dec 2018 | 35,000 |
| Purchase of Raw Materials | 66,000 |

| | |
|---|--------|
| Factory rents, rates and power | 15,000 |
| Depreciation of plant and machinery | 3,500 |
| Expenses on purchases | 1,500 |
| Carriage outwards | 2,500 |
| Advertising | 3,500 |
| Office rent and taxes | 2,500 |
| Traveler's wages and commission | 6,500 |
| Stock of finished goods (1 st Dec 2018) | 54,000 |
| Stock of finished goods (31 st Dec 2018) | 31,000 |

Prepare a cost sheet giving the maximum possible Break-up of cost and profit

20 XYZ and Co., has the following balances as on 31.12.2017.

| Expenses | Production departments | | Service departments | |
|--------------------|------------------------|---------|---------------------|---------|
| | X Rs | Y Rs | P Rs | Q Rs |
| Indirect wages | 4000 | 3000 | 2000 | 5650 |
| Indirect materials | 1800 | 700 | 1020 | 1500 |
| Sundry expenses | 400 | 1000 | 150 | 200 |
| Supervision | - | - | 14000 | - |

| | |
|-----------------------------|-------------|
| Overheads to be apportioned | Total (Rs) |
| Power | 8,000 |
| Rent | 12,000 |
| Heating | 6,000 |
| Taxes | 2,000 |
| Insurance | 1,000 |
| Depreciation | 1,00,000 |

Following additional information is available:

| Depts. | Area space | Boilers | Employees | Investment | HP |
|--------|------------|---------|-----------|------------|-------|
| X | 2,000 | 45 | 20 | 6,40,000 | 3,500 |
| Y | 800 | 90 | 10 | 2,00,000 | 500 |
| P | 400 | 30 | 3 | 10,000 | - |
| Q | 1,600 | 60 | 5 | 1,50,000 | 1,000 |

The expenses of Q dept are distributed in the ratio of 5:3:2 to dept X, Y and P. Expenses of P dept are distributed in the ratio of employees to production depts. prepare overhead distribution summary.

21 A product passes through three processes, A, B and C. The normal wastage if each process is as follows; Process A- 3%; B- 5%; C- 8%. The wastage of process A was sold at Rs.0.25 per unit, B at Rs.0.50 per unit and C at Re.1 per unit. 10,000 units were introduced in process A at a cost of Re.1 per unit. The other expenses are:

| | Process-A Rs. | Process-B Rs. | Process-C Rs. |
|-----------------------|------------------|------------------|------------------|
| Sundry materials | 1,000 | 1,500 | 500 |
| Labour | 5,000 | 8,000 | 6,500 |
| Direct expenses | 1,050 | 1,188 | 2,009 |
| Actual output (units) | 9,500 | 9,100 | 8,100 |

Prepare the process accounts, assuming that there were not opening or closing stocks. Also give the abnormal loss and abnormal gain account, normal loss account.
