



Date: 18-11-2024

Dept. No. 

Max. : 100 Marks

Time: 09:00 am-12:00 pm

## SECTION A

Answer ANY FOUR of the following

4 x 10 = 40 Marks

1. Explain the Advantages and disadvantages of cost Accounting.
2. From the following data, calculate (a) Re-order quantity (b) Re-order level (c) Maximum level (d) Minimum level

Delivery period 2 to 4 days

Consumption rate 10 to 20 units per day

Ordering cost per order Rs.20

Annual requirement 5000 units

Annual storage cost per unit 10% of inventory value.

Cost per unit – Rs.50

3. Calculate the normal and overtime wages payable to a workman from the following data:

Day	Day's hours worked
Monday	8
Tuesday	12
Wednesday	10
Thursday	10
Friday	9
Saturday	4
	53

Normal working hours - 8 hours per day: on Saturday 4 hours

Normal rate Rs. 2. Per hour, Overtime rate – upto 9 hours in a day at single rate and over 9 hours in a day at double rate. or upto 48 hours in a week at single rate and over 48 hours at double rate. Whichever is more beneficial to the workers?

4. From the following transactions for the month of April, show the stores ledger as they

Would appear when using simple average method of pricing issues.

Date	Particulars	Units	Price
1	Balance in hand	300	2.00
2	Purchased	200	2.20
4	Issued	150	-
6	purchased	200	2.30
11	Issued	150	-
19	Issued	200	-
22	purchased	200	2.40
27	Issued	150	-

5. Calculate machine hour rate from the following:

- a. Cost of machine Rs. 19,200
- b. Estimated scrap value Rs 1200
- c. Average repairs and maintenance charges per month Rs 150
- d. Standing charges allocated to machine per month Rs.50
- e. Effective working life of machine 10,000 hours.
- f. Running time per month 166 hours.
- g. Power used by machine 5 units per hour @ 19 paisa per unit.

6. Explain the merits and demerits of Job Costing.

7. In manufacturing a product, 1000 kgs of raw materials at Rs 8 per kg were supplied to process X. Other expenses of the process were as follows: labour cost Rs.2000, production expenses Rs 1000. Normal loss in the process has been estimated at 10% of the input and it could be sold at Rs. 2 per kg. The actual output in this process was 880 kgs which was transferred to process Y. prepare process X account and abnormal loss account.

8. Explain the causes of Labour turnover and the methods of measuring it.

## SECTION B

**Answer ANY THREE of the following**

**3 x 20 = 60 Marks**

9. Distinguish between financial accounting and cost accounting.

10. Prepare the cost sheet to show the total cost of production and cost per unit of goods manufactured by a company for the month of July, 2008. Also find the cost of sales and profit.

<b>Particulars</b>	<b>Rs</b>	<b>Particulars</b>	<b>Rs</b>
Opening stock of raw materials	3000	Office rent	500
Raw materials purchased	28000	General expenses	400
Closing stock of raw materials	4500	Discount on sales	300
Manufacturing wages	7000	Promotion exp's to be charged fully	600
Depreciation on plant	1500	Income tax paid	2000
Loss on sale of a part of plant	300	sales	50000
Factory rent and rates	3000		

The number of units produced during July 2008 was 3000. The stock of finished goods was 200 and 400 units on 1.7.08 and 31.7.08 respectively. The total cost of the units on hand on 1.7.08 was Rs 2800. All these had been sold during the month.

11. From the following details of stores receipts and issues of materials prepare the stores ledger using weighted average method of valuing the issues for the month of November.

- 1st opening stock 2000 units @ Rs. 5 each.
- 3<sup>rd</sup> Issued 1500 units.
- 4<sup>th</sup> Received 4500 units at Rs 6 each.
- 8<sup>th</sup> Issued 1600 units
- 9<sup>th</sup> Returned to stores 100 units from issued dated 3rd.
- 16<sup>th</sup> Received 2400 units at Rs 6.50 each
- 19<sup>th</sup> Returned to supplier 200 units out of quantity received on 4th.
- 20<sup>th</sup> Received 1000 units at Rs 7 each
- 24<sup>th</sup> Issued 2100 units
- 27<sup>th</sup> Received 1200 units at Rs 7.50 each
- 29<sup>th</sup> Issued 2800 units

12. Amar Ltd. has three production departments P1, P2 and P3 and two service departments S1 and S2. Following particulars are available for the month of March 2024 concerning the organisation:

Particulars	Rs.
Rent	15,000
Municipal taxes	5,000
Electricity	2,400
Indirect wages	6,000
Power	6,000
Depreciation on machinery	40,000
Canteen expenses	30,000
Other labour expenses	10,000

Following further details are also available:

	Total	P1	P2	P3	S1	S2
Floor space (Sq. mts)	5,000	1,000	1,250	1,500	1,000	250
Light points (Nos)	240	40	60	80	40	20
Direct wages (Rs)	40,000	12,000	8,000	12,000	2,000	6,000
HP of machines (Nos)	150	60	30	50	10	-
Cost of machines (Rs)	2,00,000	48,000	64,000	4,000	4,000	80,000
Working hours	-	2,335	1,510	1,525	-	-

The expenses of the service department are to be allocated as follows:

	P1	P2	P3	S1	S2
S1	20%	30%	40%	-	10%
S2	40%	20%	30%	10%	-

Apportion the costs of the various departments by the most equitable method.

13. Explain briefly the various premium bonus systems.

14. A product passes through three processes A, B and C. 20000 units costing 50 paise per unit was issued to Process A. Other details relating to the processes were as follows:

	A	B	C
Material consumed (Rs.)	6000	4000	2000
Labour(Rs.)	8000	6000	3000
Manufacturing expenses (Rs.)	1000	1000	1500
Percentage of scrap on input	2%	5%	10%
Sale value of scrap per 100 units(Rs.)	5	8	10
Output in units	19500	18800	16000

Prepare Process accounts, Abnormal Loss Account, Abnormal Gain Account and Normal Loss Account.

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