



Date: 08-11-2024

 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 elements of cost and illustrate the different components of cost.

2. The following information pertaining to a firm is available:

Annual consumption 12,000 units (360 days)

Cost per unit Re.1

Cost per order Rs.12

Inventory carrying cost 20% p.a

Lead time (Maximum, Normal and minimum) 30-15-5(days)

Daily consumption (Maximum, Normal and minimum) 45-33-15(units)

Calculate inventory levels.

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                  |
|           | <b>53</b>          |

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. Work out the machine hour rate for the following machine.

Cost of machine Rs.90000

Freight and installation Rs.10000

Working life 10 years

Working hours 2000 per year

Repairs charge 50% of depreciation

Power 10 units per hour at 0.10 paise per unit

Lubricating oil at Rs.2 per day of 8 hours

Stores at Rs.10 per day of 8 hours

Wages of operator at Rs.4 per day

5. Describe job costing and batch costing.

6. The accounts of Exon Ltd shows the following details for the year 2019:

| Particulars      | Rs     |
|------------------|--------|
| Materials        | 350000 |
| Labour           | 270000 |
| Factory overhead | 81000  |

It is estimated that Rs 1000 for material and Rs 700 for labour will be required for one unit of the finished product for quotation purpose. Absorb factory overheads on the basis of labor and administrative overheads on the basis of works cost. A profit of 12.5% on selling price is required on quotation. Prepare a cost sheet and prepare a statement of the selling price per unit of the finished product.

7. Mr. Rio furnishes you the following data and wants you to compute the cost per running Km of Vehicle A.

| Particulars                      | Amount (Rs.) |
|----------------------------------|--------------|
| Cost of Vehicle                  | 250000       |
| Road license per year            | 800          |
| Annual supervision & Salaries    | 2700         |
| Driver wages per hour            | 4            |
| Cost of fuel per litre           | 12           |
| Repairs & Maintenance per Km     | 2            |
| Tyres cost per Km                | 1            |
| Insurance premium p.a            | 700          |
| Garage rent per year             | 1300         |
| Kms run per litre                | 20           |
| Kms run during the year          | 15000        |
| Estimated life of vehicle in Kms | 100000       |
| Average Tonnage carried          | 6            |

Charge interest at 5% per annum on cost of vehicle. The Vehicle runs 20 Kms per hour on an average.

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. The following is the manufacturing and Profit and Loss Account of Rahul Javid Manufacturing Company for the year ended 31.03.2023, output 850 units.

| Particulars         | Rs.      | Particulars | Rs.      |
|---------------------|----------|-------------|----------|
| To Materials        | 64,000   | By Sales    | 3,20,000 |
| To wages            | 96,000   |             |          |
| To Works expenses   | 40,000   |             |          |
| To Salaries         | 48,000   |             |          |
| To Office expenses  | 8,000    |             |          |
| To General expenses | 24,000   |             |          |
| To Selling expenses | 16,000   |             |          |
| To Net Profit       | 24,000   |             |          |
|                     | 3,20,000 |             | 3,20,000 |

For the year ending 31.03.2024, it is estimated that:

- Output and sales will be 1,000 units.
- Material price will increase by 25%
- Wage cost will increase by 12.5%
- Works expenses will increase in proportion to the combined cost of materials and wages.
- Selling expenses per unit will remain constant.
- Other expenses remains constant.
- Profit of 12.5% on sales is to be made.

Prepare a statement of Cost and Profit for the year and estimated costs and profit for the next year.

10. From the following particulars in respect of a certain material during 2023, you are required to draw up the stores ledger account under weighted average method:

|              |                     |   |
|--------------|---------------------|---|
| 2023 April 1 | Stock in hand       | 400 units @ Rs.5                              |
| 4            | Purchased           | 800 units @ Rs.6                              |
| 7            | Issued              | 600 units                                     |
| 12           | Purchased           | 200 units @ Rs.7                              |
| 16           | Returned to stores  | 100 units<br>(Issued out of opening stock)    |
| 20           | Purchased           | 400 units @ Rs.8                              |
| 25           | Issued              | 800 units                                     |
| 28           | Returned to vendors | 100 units out of purchases made on 20th April |

A shortage of 100 units was noticed and recorded on 26th April.

11. 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.

12. Explain briefly the various premium bonus systems.  
13. Distinguish between Financial Accounting and Cost Accounting.

14. The following details are extracted from the costing records of a Sohil oil mill for the year ended 31st march 2024;  
 Purchase of 5,400 tons of coconut - Rs.2,20,000

| Particulars          | Crushing (Rs) | Refining (Rs) | Finishing (Rs) |
|----------------------|---------------|---------------|----------------|
| Cost of labour       | 2,750         | 1,100         | 1,650          |
| Electric power       | 660           | 396           | 264            |
| Sundry material      | 110           | 2,200         | ---            |
| Repairs to machinery | 308           | 363           | 154            |
| Steam                | 660           | 495           | 495            |
| Factory expenses     | 1,452         | 726           | 242            |

Cost of casks - Rs.8,250

3,200 tons of crude oil was produced. 2,600 tons of oil was produced by the refining process and 2,550 tons of refined oil was finished for delivery.

| Particulars  | Rs       |
|--|----------|
| Coconut sacks sold                                     | 440      |
| 1,925 tons of coconut residue sold                     | 12,100   |
| Loss in weight in crushing                             | 275 tons |
| 500 tons of by-products obtained from refining process | Rs.7,425 |

Prepare relevant process accounts.

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