F.Y. BAF Sem - V

30/11/18

FYBAF

Q.P. Code :24466

[Time: $2\frac{1}{2}$ Hours] **[Marks:75]**

Please check whether you have got the right question paper.

N.B: 1. All questions are compulsory.

Q.1 (A) Multiple Choice question (Any Eight) 08

1. A Material loss during production or storage due to evaporation or shrinkage is called
   a. Scrap
   b. Waste
   c. Spoilage
   d. Material Loss

2. The process by which cost items are charged direct to a cost unit or cost centre is called
   a. Absorption
   b. Apportionment
   c. Allocation
   d. Allotment
3. The difference between hours paid and hours is called
   a. Normal time
   b. Time saved
   c. Standard time
   d. Idle time
4. Under Taylor differential piece rate system a worker whose production is higher than the standard will get ----------of normal piece rate
   a. 110%
   b. 115%
   c. 120%
   d. 130%
5. The inefficient workers is penalized by paying him low piece rate in
   a. Rowan Plan
   b. Merrick Plan
   c. Taylor Plan
   d. Rucker
6. A --------is a planned cost for a unit of product of service rendered
   a. Standard cost
   b. Marginal cost
   c. Opportunity cost
   d. Historical cost
7. Rent paid for the factory building which is temporarily closed is example
   a. Imputed cost
   b. Sunk cost
   c. Shut down cost
   d. Temporary cost

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9. The model and formula of Economic Order Quantity was developed by — in 1913
   a. F.W.Taylor
   b. F. Wilson Harris
   c. F. Walter Harris
   d. F. W. Marshall
10. ------- are not recorded in the books of account
   a. Implicit Cost
   b. Explicit Cost
   c. Sunk cost
   d. All of the above

Q.1 (B) State whether True or False (Any Seven) 07

1. Cost Accounting is a branch of Financial Accounting
2. Conversion cost is equal to direct wags and factory overhead
3. Notional expenses are not included for ascertaining cost
4. Fixed cost vary with volume rather than time
5. FIFO method of pricing material issue results in higher profit
6. Bin card shows the value of a material at any movement of time
7. Labour turnover is the movement of people out of the organization
8. Merrick differential piece rate system is less punitive than Taylor system
9. Pre-determined overhead rates are used only in standard costing system
10. Waste can be realized but scrap cannot be realized

Q.2 (A) The following details are available in respect of a consignment of 1500 kgs of material Z 08

Invoice Price	Rs.20per kg.
Excise Duty	30% of Invoice Price
Sales tax	10% of Invoice Price including Excise Duty
Trade Discount	10% of Invoice Price
Insurance	1% of aggregate net price
Delivery charges	Rs.300

Cost of container @ Rs.50 per container for 50kgs of material. Rebate is allowed @Rs.40 per container, if returned within six weeks, which is a normal feature. One container load of material was rejected on inspection and not accepted.

Cost of unloading and handling @0.25% of the cost of material ultimately accepted.

You are required to find out the landed cost per per kg .of material Z

Q.2 (B) A company manufactures 6000 units of a product per month. The cost of placing an order is Rs.100. The purchase price of the raw material is Rs.15 per kg. The re-order period is 4 to 8 weeks. The consumption of raw material varies from 150 kgs. to 450 kgs. per week. The average consumption being 300 kgs. The carrying cost of inventory is 20% per annum. 07

You are required to calculate

Re-order quantity

Re-order level

Minimum stock level

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Maximum stock level
Average stock level (apply both the formulas)

OR

Q.2 (A) The store ledger account for Material Y in a manufacturing concern reveals the following data for the quarter ended 30.9.2016 07

Date	Receipts		Issues	
	Quantity (Units)	Price (Per Unit)	Quantity (Units)	Price (Rs.)
July-01 (Bal. b/d)	1500	2.00	-	
July-10	3200	2.20	-	-
July-15	-	-	1300	2600
Aug. -07	-	-	1000	2000
Aug. - 20	3600	2.40	-	-
Aug. - 25	-	-	1800	4120
Sept. -10	2600	2.50		-
Sept.- 20	-	-	2200	4980
Sept.- 29	-	-	600	1420

Physical verification on 30.9.2016 revealed an actual stock of 3900 units. You are required to prepare store ledger accounts by Weighted Average Method.

Q.2 (B) M/s NK Ltd. are the manufactures of LCD of mobile phones. The following are the details of their operation during 2015 08

Average monthly market demand	2000 units
Ordering coat	Rs.150 per order
Inventory carrying cost	20% per annum
Cost of LCD	Rs. 650 per LCD
Normal usage	125 LCD per week

You are required to calculate
Economic Order quantity and
If the supplier is willing to supply quarterly 1500 units at a discount of 5%, is it worth accepting

Q.3 (A) A skilled worker In LP Ltd. Is paid a guaranteed wage rate of Rs. 40 per hour. The standard time per unit for a particular product is 6 hours, Shashi a machine man has been paid wages under the Rowan incentive plan and he had earned an effective hourly rate of Rs.60 on the manufacture of that particular product. What could have been his total earning and effective hourly rate, had been put on Halsey Incentive scheme (50%) 08

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Q.3 (B)

Standard output	40 units
Time Rate	Rs.2 Per hour
Piece Rate	Rs.2.5 per unit
High Piece rate	Rs. 3 per unit
Standard hours in a week	50 hours

07

The production details of different workers are given below

A	32 Units.
B	38 Units
C	40 Units
D	43 Units
E	45 Units

Compute the earning of workers under Gantt's Task Bonus Plan

OR

Q.3 (A) 3 hours allowed to a worker to produce 6 units and wages has been paid @Rs.26 per hour. In a 48 hours week the worker produced 136 units. 08

You are required to calculate the total earnings and effective hourly rate of earnings of the worker under the following incentive wage systems.

1. Halsey (50%) system.
2. Rowan system
3. Emerson's efficiency system
4. Barth system

Q.3 (B) From the following data provided to you. Find out the Labour turnover rate by applying 07

1. Flux Method
2. Replacement Method
3. Separation Method

No. of workers on the payroll

At the beginning of the month - 1600

At the end of the month -2000

During the month

20 workers left, 65 workers were discharged and 230 workers were recruited. Of these 35 workers were recruited in the vacancies of those leaving, while the rest were engaged for an expansion scheme

Q.4 A company has three production departments and two service departments. Distribution summary of overheads is as follows 15

Production Department	
A	Rs.14000
B	Rs.15000
C	Rss.13000

Service Department	
X	Rs.9000
Y	Rs.3000

The expenses of service departments are charged on a percentage basis which is as follows

Departments	A	B	C	X	Y
X	40%	30%	20%	-	10%
Y	30%	30%	20%	20%	-

Apportion of cost of service departments by using

1) Direct Method
2) Step Ladder Method
3) Repeated Distribution Method
4) Simultaneous Equation Method
5) Trial & Error Method

OR

Q.4 (A) From the following particulars, compute the hourly rate of machine installed in a shop. 08

Cost of machine	Rs.25000
Estimated scrap value (after expiry of life of 10 years)	Rs.5000
Shop supervisor salary	Rs.500 per month
General lighting for the shop	Rs.50 per month
Rent & rates of the shop per quarter	Rs.500
Insurance premium for the machine	Rs.20 per month
Estimated repairs & maintenance expenses	Rs.200 per year
Power consumption of the machine	3 units per hour
Rate of power	100 units @Rs.10
Estimated working hours of the machine per year	2000

The machine occupies $\frac{1}{4}$ of the total floor area of the shop. The supervisor of the shop devotes $\frac{1}{5}$ of the time for supervising the machine.

General lighting expenses are to be apportioned on the basis of floor area.

Q.4 (B) Yankees Ltd. Accepts varieties of jobs which require both manual & machine operations? The budgeted Profit & Loss Account for the period 2015 -16 is as follows 07

Particulars	**Rs.**
Direct Material	150000
Add -Direct Labour	100000
Prime cost	250000
Add - Production Overhead	300000
Cost of Production	550000
Add – Administrative, Selling & Distribution Overheads	200000
Total Cost	750000
Profit	150000
Sales	900000

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Other budgeted data

Labour hours for the period	2500
Machine hours of the period	1500
Number of jobs for the period	300

Calculate overhead absorption rates for absorption of production overhead cost by following methods.

1) Direct Labour cost Method
2) Direct Labour hours Method
3) Machine hours Method
4) Unit of Production Method
5) Direct Material Cost Method
6) Prime cost Method

Q.5 (A) Discuss the step down method and Reciprocal service method of secondary distribution of overheads 07

Q.5 (B) Distinguish between Bin card & Store Ledger 08

OR

Q.5 Write short notes (Any Three) 15

a) Relationship between cost department with other department
b) Piece rate System
c) Merrick incentive Plan
d) Absorption of overhead
e) Blanket Overhead Rate

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