11, OCT 2022 (9)

SYBMS/SEM III/EXT/ICA/

**Time: 2½ hrs.** **Marks:75**

**Note:**
1. All questions are compulsory with internal options.
2. Figures to the right indicate full marks.
3. Draw neat diagram wherever necessary.

**Q. 1 (A) Fill in the blanks with the correct answer from the alternatives given below. ( Attempt any 8)** **(08)**

(1) Merrick's differential piece rate has_____ rates. (two/ four/three)

(2) Directors' Remuneration is for a part of _____ overhead. (Administration / Production/ Selling)

(3) Input – Normal loss = _____. (Abnormal loss/ Normal Output/Actual output)

(4) _____ overheads include Depreciation on Delivery van. (Distribution/ Production/ Administration)

(5) Time wage are paid on the basis of _____ . (Time saved/ Actual Time taken/Overtime)

(6) The allotment of whole cost to a particular cost centre is called _____. (Cost allocation/cost apportionment/Overhead absorption)

(7) Bonus under _____ plan is calculated on the basis of 50% of time saved. (Halsey/Rowan/Gantt's)

(8) Process costing is used in _____ industry. (Airline/ Construction/pharmaceutical)

(9) Under Emerson's efficiency system, no bonus is payable when efficiency is upto _____. (66 2/3% /83 1/3% / 100%)

(10) Direct material + Direct Labour + Direct Expenses = _____ (Cost of production/ Cost of Sales/ Prime Cost)

**(B) State whether the following statements are true or false. (Attempt any 7)** **(07)**

(1) Normal Output more than Actual output leads to Abnormal Gain.

(2) Straight Piece rate consists of four rates.

(3) Supervisor's Salary is included in Factory overheads.

(4) Cost of goods sold + Administrative Overheads = Cost of Sales

(5) Total variable cost changes with change in level of production.

(6) Process of ascertainment of cost is known as Cost Control.

(7) Bottles used to fill cold drinks is primary packing material.

(8) Fixed cost per unit is constant.

(9) Carpenter for making furniture is direct labour.

(10) Cost accounts are directed towards need of Government.

**Q.2** **From the following data prepare the Cost Statement for the year ended 31st March 2022.** **(15)**

| Particulars | Rs. |
|---|---|
| General Expenses | 6800 |
| Manager's Salary | 20000 |
| Gas and Water (Office) | 800 |
| Gas and Water (factory) | 2400 |
| Directors Fees | 12000 |
| Depreciation on Office Computers | 600 |
| Depreciation on Plant & Machinery | 13000 |
| Direct Wages | 252000 |
| Salesman Salaries & Commission | 15400 |
| Travelling Expenses | 4200 |
| Material Purchased | 370000 |
| Sales | 922000 |
| Office Insurance | 4000 |
| Rent, Rates and Taxes (Factory) | 17000 |
| Repairs to Plant & Machinery | 8900 |
| Carriage Inward | 15300 |
| Carriage Outward | 8600 |
| Administrative office Salaries | 25200 |
| Supervisor Salary | 13000 |

OR

**Q.2 (a)** Calculate the earnings of a worker under: **(10)**

a. Halsey Premium Plan
b. Rowan Plan
c. Time rate
d. Straight Piece rate

No. of working hours per week – 48
Wages per hour – Rs. 15
Piece rate per unit – Rs.6
Normal time per piece – 30 minutes per piece
Normal Output per week – 96 pcs
Actual Output per week – 150 pcs

**(b)** From the following particulars find out the Economic Order Quantity: **(5)**

i) Annual Demand – 40000 units
ii) Ordering cost per order – Rs. 30
iii) Inventory Carrying cost per annum per unit – Rs. 15/-

(10)

**Q.3 (a)** The following information is provided by XYZ Ltd. For the month of October 2022 **(7)**

| Date | Particulars | Units | Rate of Purchase (Rs.) |
|---|---|---|---|
| 01 | Opening Stock | 200 | 5.00 |
| 04 | Purchased | 600 | 6.00 |
| 10 | Sold | 500 | |
| 12 | Purchased | 1000 | 7.00 |
| 18 | Sold | 800 | |
| 25 | Purchased | 1200 | 8.00 |
| 31 | Sold | 1000 | |

Calculate, using FIFO method of pricing, value of Stock on 31st October, 2022

**(b)** **(8)**

i) Minimum consumption – 200 units per day
ii) Maximum Consumption – 300 units per day
iii) Normal Consumption – 240 units per day
iv) Re-order period = 10-15 days
v) Re-order quantity – 3000 units
vi) Normal re-order period = 12 days

From the above information calculate

a) Re-order level
b) Maximum level
c) Minimum level
d) Average Stock level

**OR**

**Q.3 (a)** Classify the following expenses as per Functions **(Production cost, Administration cost, Selling & Distribution cost, Research & Development cost)** **(10)**

i) Works Managers Salary
ii) Salesman Salary
iii) Depreciation on Computer
iv) Office rent
v) Direct Wages
vi) Depreciation on Delivery van
vii) Carriage outward
viii) Insurance premium on factory building
ix) Carriage Inward
x) Free samples

**(b)** Calculate EOQ and the number of orders to be placed per year: **(5)**
Total consumption per year – 160000 kgs
Cost per order – Rs. 50
Cost of Material – Rs. 2 per kg
Carrying cost = 8% on cost

**Q.4** Product A is obtained after it is processed through process X, Y and Z. **(15)**
The following cost information is available for the month ended 31st March 2022

| | Processes | | |
|---|---|---|---|
| Particulars | X | Y | Z |
| Number of units introduced into the process | 10000 | - | - |
| Rate per unit | Rs.8 | - | |
| Cost of Additional Material | 24000 | 28000 | 27000 |

| | | | |
|---|---|---|---|
| Direct Wages | 20000 | 30000 | 25000 |
| Production Overheads | 16000 | 25000 | 20000 |
| Normal Loss | 10% | 5% | 20% |
| Scrap value (per unit) | 5 | 10 | 20 |
| Actual Output | 10000 | 9000 | 7500 |

There is no stock in any process. You are required to prepare the Process Accounts.

**OR**

**Q.4** From the following data of September 2022, calculate the cost of value of closing Stock of Inventory using the following methods of Weighted Average Price **(15)**

| Date | Particulars | Quantity | Rate |
|---|---|---|---|
| September 2022 | | | |
| 01 | Opening Balance | 500 | 4 |
| 03 | Purchased | 300 | 6 |
| 04 | Purchased | 1200 | 6 |
| 06 | Sold | 1000 | |
| 10 | Sold | 500 | |
| 12 | Purchased | 625 | 10 |
| 15 | Purchased | 1125 | 12 |
| 18 | Sold | 2000 | |
| 20 | Purchased | 1750 | 12 |
| 25 | Sold | 500 | |
| 30 | Sold | 1000 | |

**Q.5** Z Company has five departments: Q,R,S,T and U. Q,R and S are producing department with T and U departments being service oriented. The following actual costs for a period are as follows: **(15)**

| Sl.no. | Particulars | Rs. |
|---|---|---|
| i. | Repairs | 50000 |
| ii. | Rent | 25000 |
| iii. | Indirect Wages | 48000 |
| iv. | Fire Insurance on Stock | 12000 |
| v. | Depreciation on Machinery | 12500 |
| vi. | Light | 16000 |
| vii. | Power | 27000 |
| viii. | ESI & Provident Fund | 30000 |
| ix. | General Expenses | 18000 |
| x. | Factory Insurance | 5000 |



| Particulars | Q | R | S | T | U |
|---|---|---|---|---|---|
| Floor space (sq. ft) | 1000 | 750 | 500 | 125 | 125 |
| Light Points | 20 | 25 | 10 | 15 | 10 |
| Value of plant | 500,000 | 250,000 | 250,000 | - | - |
| Direct Wages | 75000 | 50000 | 25000 | - | - |
| Value of stock | 60000 | 40000 | 20000 | - | - |
| Horse Power of Machinery | 90000 | 60000 | 30000 | - | - |

Prepare a statement showing Primary Distribution of Overheads.

OR

Q.5 **Write short notes on (Attempt any 3)** (15)

(1) Economic Order Quantity
(2) Taylor's Differential Piece work system
(3) Cost classification on the basis behaviour
(4) Abnormal Loss
(5) Allocation vs Apportionment of Overheads

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