SYBMS/SEM III/REG/ICA

Time: 2½ hrs. **Marks:75**

Note:
1. All questions are compulsory with internal options.
2. The figures to the right indicate full marks.
3. Draw a 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) Normal Output is equal to
- (a) Output -Actual Output
- (b) Actual Output -Normal Output
- (c) Input - % of Normal Loss on Input
- (d) Input -Abnormal Loss

(2) Aasharam completes a work in 8 hours instead of 10 hours. Labour rate per hour is Rs. 5. What he will earn as per Rowan plan?
- (a) Rs. 40
- (b) Rs. 48
- (c) Rs. 50
- (d) Rs. 45

(3) Depreciation on machine is apportioned on the basis of
- (a) machine cost
- (b) machine hours
- (c) labour hours
- (d) labour cost

(4) Abnormal loss is always valued on the basis of
- (a) Cost of Production
- (b) Scrap value
- (c) Selling Price
- (d) Cost of raw material

(5) Wood in furniture is a _____ raw material.
- (a) Indirect
- (b) Direct
- (c) Fixed
- (d) Additional

(6) Under Halsey Incentive Plan, ____ % of time saved is shared by employer
- (a) 110
- (b) 120
- (c) 50
- (d) 60

(7) EOQ is the size of the order at that point at which ordering and carrying costs are _____.
- (a) Optimum
- (b) Maximum
- (c) Munimum
- (d) Average

(8) Repair maintenance of machinery is charged under _____ overheads.
- (a) Factory
- (b) Office
- (c) Direct
- (d) Sales

(9) Opening stock of material is Rs. 5,000 purchases Rs. 30,000 closing stock of materials Rs. 2,000. Cost of material used is Rs. _____.
- (a) 33000
- (b) 30000
- (c) 35000
- (d) 40000

(10) Fixed cost per unit is _____.
- (a) Variable
- (b) Fixed
- (c) Semi-variable
- (d) Semi-fixed

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

(1) Carriage inward is a part selling cost.

(2) Depreciation on Computer is a part of Factory overheads.

(3) If efficiency is below standard under Merrick Differential Piece Rate method the wage rate is 100%

(4) Power is allocated on the basis of machine hours of machine.

(5) Prime Cost includes all Direct expenses.

(6) Indirect Expenses are known as Overheads.
(7) Variable cost per unit is constant.
(8) Depreciation is a fixed cost.
(9) Costing is the process of ascertainment of costs.
(10) Cost accounting is directed towards the needs of internal management.

Q.2 **(a)** Zain Ltd. has five departments: P, Q, R, S and T. P, Q and R are production department with S and T departments being service oriented. The following actual costs for a period are as follows: **(15)**

Sl.no.	Particulars	Rs.
1.	Power	81000
2.	Repairs to Machinery	55000
3.	General Expenses	12500
4.	Factory Insurance	4800
5.	ESI & Provident Fund	30000
6.	Factory Rent	120000
7.	Indirect Wages	150000
8.	Fire Insurance on Stock	48000
9.	Depreciation on Machinery	25000
10.	Light	48000

Particulars	P	Q	R	S	T
Direct Wages	150000	50000	50000	-	-
Value of stock	120000	80000	40000	-	-
Horse Power of Machinery	15000	15000	15000	-	-
Floor space (sq. ft)	700	800	500	200	200
Light Points	20	25	15	10	10
Value of plant	250,000	150,000	100,000	-	-

Prepare a statement showing Primary Distribution of Overheads.

OR

Q.2 **(p)** From the following data calculate the total earnings of the three workers Rafi, Kumar and Zoozoo as per a) Rowan Plan and b) Halsey Plan **(08)**
The actual time taken by the three workers
Rafi – 45 hours
Kumar – 50 hours
Zoozoo – 80 hours
The standard time fixed for producing 20 units is 60 hours. The rate of wages is Rs. 4 per hour.

(q) Total Production per annum = 5000 units **(07)**
No. of units of Raw material per Unit of Finished Goods = 2 kgs
Ordering Cost – Rs. 25
Cost of Raw Material – Rs. 20 per kg
Carrying cost = 10% on cost
Calculate EOQ and the number of orders to be placed per annum.

Q.3 (a) Classify the following expenses as per Functions **(Production cost, Administration cost, Selling & Distribution cost, Research & Development cost). Give reasons.** (15)

i) Factory Electricity charges
ii) Secondary packing
iii) Depreciation on Computer in Office
iv) Salary to Office Staff
v) Salary to Research Staff
vi) Direct Raw Material
vii) Testing Tool Maintenance
viii) Depreciation on Machinery
ix) Carriage Inward
x) Insurance on factory building
xi) Salesman Salary
xii) Salary to Factory Cleaner
xiii) Normal Loss
xiv) Mould development cost
xv) Transportation cost of Finished Goods

OR

Q.3 (p) DCW Ltd. produces a Product X which is obtained after it is processed through Process A, B and C. (15)

The following cost information is available for the month ended 31st March 2023

	Processes		
Particulars	A	B	C
Number of units introduced into the process	10000	-	-
Cost of Material (Rs.)	80000	-	-
Direct Wages (Rs.)	75000	78000	120000
Manufacturing Expenses (Rs.)	45000	62000	60000
Normal Loss	20%	10%	10%
Scrap value (Rs. per unit)	4	10	15
Actual Output (units)	8000	7500	6450

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

Q.4 (a) From the following data prepare the Cost Statement for the year ended 31st March 2023. **(15)**

Particulars	Rs.
Sales	950000
Office Insurance	5000
Rent, Rates and Taxes (Factory)	20000
Repairs to Plant & Machinery	9500
Sundry Expenses	15000
Office Manager's Salary	30000
Electricity (Office)	21000
Electricity (factory)	24000
Directors Fees	25000
Depreciation on Office Equipment	16000
Depreciation on Machinery	35000
Direct Wages	250000
Salesman Commission	15000
Travelling Expenses	5500
Material Purchased	250000
Carriage Inward	25500
Carriage Outward	10600
Administrative office Salaries	25200
Supervisor Salary	20000

OR

Q.4 (p) From the following particulars calculate the arning for the week of a worker under **(08)**

a. Straight piece rate
b. Taylor's Differential piece rate
c. Merrick Differential piece rate

No. of Hours per week – 96
Wages per hour – Rs. 8/-
Normal time per unit – 30 minutes
Normal Output = 192 units
Actual output = X – 150 units; Y – 180 units ; Z – 220 units

(q) i) Minimum consumption – 800 units per week **(07)**
ii) Maximum Consumption – 1500 units per week
iii) Normal Consumption – 1200 units per week
iv) Re-order period = 2 weeks -6 weeks
v) Re-order quantity – 1000 units
vi) Normal re-order period = 4 weeks

From the above information calculate

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

Q.5 (a) From the following particulars, prepare stock record by FIFO method . Calculate the Cost of Goods Sold and Value of Closing Stock as on April 2023. (15)

Date (April 2023)	Transactions	Units	Rate (Rs.)
1	Purchase	400	30
5	Purchase	600	28
6	Sale	500	-
10	Purchase	800	32
12	Sale	200	-
15	Sale	800	-
18	Purchase	1000	34
20	Sale	900	-
22	Purchase	800	35
25	Sale	700	-
28	Purchase	500	36
30	Sale	800	-

OR

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

(1) Weighted Average Method
(2) Abnormal Loss
(3) Imputed Cost
(4) Labour Incentive Schemes
(5) Process Costing

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