

Time: 3 Hrs.

Marks 100

Note:

1. All Questions are compulsory.
2. Figures to the right indicate full marks allotted to the questions.
3. Working Notes wherever necessary should form a part of your answer.
4. Calculate figures up to the two decimal points wherever required.

Q1 A State whether the following statements are True or False.

(10)

- 1) Lubricants are direct materials
- 2) Packing charges are selling and distribution cost.
- 3) Prime cost includes factory overheads.
- 4) Carriage on material increases cost of materials.
- 5) Labour Turnover may be caused due to low wages.
- 6) Time Rate Plan motivates the efficient workers.
- 7) Factory cost includes Prime cost-plus office overheads.
- 8) Inventory valuation is done at market value.
- 9) Carriage outwards should be considered selling overheads.
- 10) Cost of rectification of defectives is a part of administration overheads.
- 11) Interest received on Bank Deposit is purely financial in nature.
- 12) Time wage is guaranteed under Rowan premium plan.

Q1 B Select the most appropriate option and rewrite the full sentence.

(10)

- 1] The costing which determines cost after it has been actually incurred is:
i) estimated ii) standard iii) historical iv) marginal
- 2] Interest on capital is
i) imputed cost ii) sunk cost iii) direct cost iv) indirect cost
- 3] Overheads which are incurred in connection with factory are
i) factory overheads ii) office overheads iii) selling overheads iv) prime cost
- 4] The cost which is directly chargeable to the product is
i) indirect cost ii) direct cost iii) overheads iv) period cost
- 5] Royalty paid on use of patents is called as:
i) Direct expenses ii) Indirect expenses iii) Production expenses iv) Distribution expenses
- 6] If production increases Variable cost per unit remains
i) constant ii) flexible iii) Increase iv) Decrease
- 7] Cost which is unaffected by the change in outputs is called as
i) Fixed cost ii) Variable Cost iii) Period cost iv) Production cost
- 8] Bin Card is
i) a inspection note ii) a continuous record of stock stored
iii) a statement of delivery of material iv) a statement of issue of material

9] A store ledger is

i) Evidence of delivery of materials

iii) a ledger which shows movement of each item of materials

ii) a ledger of the supplier

iv) a ledger of the Distributer

10] The process of re-distribution of overheads of support department to production department is called as:

i) Secondary distribution

iii) Repeat distribution

ii) Primary distribution

iv) Selling and Distribution overheads

11] Drawing office salaries is a:

i) Factory overheads

iii) Selling overheads

ii) Office overheads

iv) Distribution overheads

12] In reconciliation statement depreciation under charged in cost account is

i) Deducted in financial profit

iii) Added in costing profit

ii) Deducted in costing profit

iv) Added to assets

Q.2.A.SSR Ltd. furnishes to you the following information for the year ended

31st March, 2023 :

Production and Sales	20,000 units
Sales	Rs. 80,00,000
Direct Materials	Rs. 30,00,000
Direct Wages	Rs. 10,00,000
Direct Expenses	Rs. 5,00,000
Factory Overheads	Rs. 7,50,000
Administrative Overheads	Rs. 12,50,000
Sales Overheads	Rs. 10,00,000

(20)

Following changes are estimated in the subsequent year:

(1) Production and sales activity will be increased by 25%.

(2) Material rate will be increase by 20%.

(3) Direct wages rate would be reduced by 10% due to automation.

(4) Direct Expenses per unit will increase by 10%.

(5) Factory Expenses will increase by 20% in total.

(6) Total administrative overheads will be lower by 20%.

(7) Sales overheads per unit would remain the same.

(8) Sale would be 110% of cost.

Prepare a statement of cost for both the years ending 31st March, 2023 and 31st March, 2024 showing maximum possible details of cost.

OR

Q2.B.M/s. Naina Manufacturing Company manufactures two types of products viz. S and T. The information for the year ended on 31st March, 2024 is as under:

(20)

Particulars	S (Rs.)	T (Rs.)
Direct material per unit	150	160
Direct labour per unit	80	70
Direct expenses per unit	50	90

Additional Information:

(1) Factory expenses are charged at 25% of prime cost.

(2) Office expenses are charged at 30% of works cost.

- (3) 3,000 units of product S were produced of which 2,500 units were sold and 6,000 units of product T were produced of which 5,400 units were sold.
 (4) Selling expenses are Rs.12 per unit for product S and Rs.20 per unit for product T.
 (5) Company charges a profit at 20% on sales for Product S & 25% on sales for Product T.
 Prepare a cost sheet showing the cost and profit in total as well as in per unit.

Q3.A. A steel manufacturing company uses steel sheets for the production and provides you the following details.

(10)

Maximum usage = 500kg per day
 Normal usage = 300 kg per day
 Minimum usage = 200 kg per day
 Maximum re-order period = 15 days
 Minimum re-order period = 5 days
 Average reorder period = 10 days
 Re-order quantity = 3000 kg
 Calculate re-order-level, maximum level, minimum level and average level.

Q3.B. From the following particulars, prepare Reconciliation Statement and Ascertain Costing Profit/Loss. Net Profit as per financial P&L A/c ₹20,400, Opening Stock was overvalued by ₹1500 in Cost Accounts as compared to financial accounts. Office overheads charged in Financial Books ₹15,000 but recovered in Cost ₹20,000
 Loss by fire ₹600.
 Goodwill written off recorded in financial ₹5,000
 Closing Stock as per financial books ₹4,000
 Whereas in Cost books it was ₹5,400.

(10)

OR

Q3.C. From the following details find the amount of closing stock under weighted average method for the month of September, 2024

(10)

1.9.24 Opening Stock: 250 units at ₹10 each			
Purchases		Issues	
5.9.24	150 units at ₹12 each	10.9.24	120 units
15.9.24	100 units at ₹14 each	20.9.24	80 units
25.9.24	200 units at ₹16 each	30.9.24	150 units

Q3.D. From the following, prepare a statement of reconciliation and find-out profit/loss as per financial records.

(10)

PARTICULARS	Rs
Profit as per Cost Records	1,87,000
Interest on Bank loan	1050
Provision for Income Tax	40,300
Loss on sale of Asset in Financial A/c	5,700
Interest received	8,750
Depreciation in Financial A/c	11,200
Depreciation in Cost A/c	12,500

Q4A. The following particulars apply to a particular job:

(10)

Standard production per hour: 15 units

Standard working hours: 16

Normal rate per hour: Rs.30

Geetha produced 180 units

Vineetha produced 216 units

Rakshitha produced 264 units

Calculate the wages of these workers under Differential Piece Rate System 80% of the piece rate when output is below standard & 120% above standard.

Q4.B. Calculate the machine hour rate for the following machine

(10)

Cost of machine	Rs	116000
Estimated scrap value	Rs	16000
Estimated working life	Hours	20000
Estimated maintenance cost during working life of machine	Rs	2400
Power used per machine per hour	Rs	1
Rent and Rates per month	Rs	3000
Normal Machine running hours during a month		180
Standing charges (other than rent and Rates) Per month	Rs	400

OR

Q4.C. Standard output per hour is 100 units. Actual output in a 40 hour week is 5,000 units. Wage rate is Rs.75 per hour. Calculate Total Earnings under:

(10)

- Time Rate
- Piece Rate
- Halsey Premium System
- Rowan Premium System

Q4.D. From the following particulars given below, prepare a statement showing primary distribution of overheads:

(10)

		Production Departments			Service Departments	
		A	B	C	X	Y
Direct Materials	Rs	3000	2500	2000	1500	1000
Employees	Number	100	150	150	50	50
Factory Electricity	Kwh	8000	6000	6000	2000	3000
Light Points	Number	10	15	15	5	5
Assets Value	Rs	50000	30000	20000	10000	10000

Particulars	Rs
Stores Overheads	40000
Motive Power	150000
Electric Lighting	20000
Labour Welfare	300000
Depreciation	600000

Q5. Answer the following questions. (10 marks each)

- A. What are the objectives of cost accounting?
- B. Explain classification of overheads based on behavior of cost?

OR

Q5. Write short notes (Any four out of six).

(20)

- a) Cost ascertainment
- b) FIFO
- c) Gantt's Task
- d) Distinction between cost allocation and cost apportionment
- e) Prime cost
- f) Reconciliation of cost and financial accounts
