

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] Royalti 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

ii) a ledger of the supplier

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

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

ii) Primary distribution

iii) Repeat distribution

iv) Selling and Distribution overheads

11] Drawing office salaries is a:

i) Factory overheads

ii) Office overheads

iii) Selling overheads

iv) Distribution overheads

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

i) Deducted in financial profit

ii) Deducted in costing profit

iii) Added 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 (10)

- 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.

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 | 1,050 |
| 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 |

(10)

Q4A. The following particulars apply to a particular job:

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)

- i. Time Rate
- ii. Piece Rate
- iii. Halsey Premium System
- iv. 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

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