

- 7 a From the following particulars calculate the EOQ
Annual usage 10,800 Kgs.
Cost of purchase and receiving one order Rs.1, 000
Annual carrying cost Rs.20.

OR

- b Calculate Reorder level, Minimum stock level, Maximum stock level and Average stock

Level from the following information:

Normal usage - 300 units per week

Maximum usage - 450 units per week

Minimum usage - 150 units per week

Reorder period - 4 to 6 weeks

Reorder quantity - 2,400 units.

- 8 a Calculate the total earnings of the worker under Halsey plan and Rowan Plans:
Standard time: 10 hours;
Hourly rate Rs.2
Time taken: 6 hours.

OR

- b State the causes of employee turnover.
- i. Employees are overwhelmed by amount work.
 - ii. Lack of recognition.
 - iii. Company culture.
 - iv. Poor relationship with Manager.
 - v. Lack of flexibility.
 - vi. Remuneration and benefits.
 - vii. Poor learning and development opportunities.

- 9 a Calculate Machine Hour rate from the following:
- (a) Cost of machinery Rs.19, 200
 - (b) Estimated scrap value Rs.1, 200
 - (c) Repair charges per month Rs.150
 - (d) Standing charges allocation to machine per month Rs.50
 - (e) Effective working life of machine 10000 hours
 - (f) Running time per month 166 hours
 - (g) Power used by machine = 5 units per hour at 19 paise per unit.

OR

- b Briefly explain the normal and abnormal overheads.

- 10 a Prepare reconciliation statement from the following:

	Rs.
Net profits as per cost accounts	2, 00,000
Income tax	60,000
Share transfer fee credited	4,000
Provision for doubtful debts	20,000
Overheads as per cost accounts	34,000
Overheads as per finance books	28,000
Directors' fees in financial books only	8,000
Depreciation charged only in finance books	7,000
Closing stock in cost accounts	18,750
Closing stock in finance books	20,750
Goodwill written off	9,000
Stores adjustment (credit in finance books)	1,000
Interest on investments	4,000.

OR

- b Discuss the various methods of costing.
- (1) Job Costing,
 - (2) Contract Costing,
 - (3) Batch Costing,
 - (4) Process Costing,
 - (5) Operation Costing,
 - (6) Unit Costing,
 - (7) Operating Costing, and
 - (8) Multiple Costing.

SECTION -C (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 x 6 = 30)

- 11 a Distinction between cost accounting and management accounting.

OR

- b A Manufacturer presents the following details about the various expenses incurred by him.

	Rs.
Raw materials	70,000
Carriage inwards	2,000
Factory rent	2,400
Bad debts	440
Printing and stationery	620
Legal expenses	350
Carriage outwards	1,540
Indirect materials	560
Power	4,600
Depreciation of furniture	160
Postage expenses	465
Repairs of plant and machinery	1,200
Salesmen's expenses	3,400
Advertising	500
Direct wages	85,000
General Manager's salary	36,000
Factory manager's salary	18,000
Depreciation on plant and machinery	1,240
Audit fees	350

Classify the above expenses under the various elements of cost showings separately the total expenditure under each element.

- 12 a The following information is extracted from the stores ledger.

Jan. 1	Opening Balance	500 units at Rs. 4
5	Purchases	200 units at Rs.4.25
12	Purchases	150 units at Rs.4.10
20	Purchases	300 units at Rs.4.50
25	Purchases	400 units at Rs.4.

Issues of Materials were as follows:

Jan. 4	200 units
10	400 units
15	100 units
19	100 units
26	200 units
30	250 units

Issues are to be priced on the principle of 'FIFO' method. Write the stores Ledger Account.

OR

- b Enumerate the various Inventory control techniques
- 13 a Calculate the earnings of a worker under (A) Halsey Premium Plan and (B) Rowan Scheme
 Time allowed = 48 hours
 Time taken = 40 hours
 Rate per hour Re.1.

OR

- b Discuss the causes and Effects of Employee Turnover.
- 14 a Work out the machine hour rate for the following machine:
- | | |
|----------------------------|-----------------------|
| Cost of machine | Rs. 95,000 |
| Installation charges | Rs. 10,000 |
| Scrap value after 10 years | Rs. 5,000 |
| Working hours per month | 200 hours |
| Lighting | Rs.150 per month |
| Rent | Rs. 200 per month |
| Insurance premium | Rs. 500 per year |
| Repair charge | 50% of depreciation |
| Other standing charges | Rs. 1,000 per month |
| Power 10 units per hour at | Rs. 10 per 100 units. |

OR

- b The following details are furnished by manufacturer of a product.
- Direct materials Rs.75, 000
 Direct wages 30,000
 Machine hours 20,000
 Labour hours 50,000
 Works overheads Rs.15,000.
 Calculate the different overhead absorption rates.
- 15 a The following information is extracted from the job ledger, in respect of Job 707.
- | | |
|-----------|-----------|
| Materials | Rs. 3,400 |
|-----------|-----------|
- Wages:**
 Dept. A – 80 hours at Rs. 2.50 per hour
 Dept. B – 60 hours at Rs. 4 per hour
- Variable overheads:**
 Dept. A – Rs. 5,000 for 4,000 direct hours
 Dept. B – Rs. 6,000 for 3,000 direct hours
- Fixed overheads:**
 Rs. 7,500 for 10,000 hours of normal working time of the factory.
 Calculate the cost of Job No. 707 and estimate the percentage of profit if the price quoted is Rs. 4,750.

OR

- b Reconcile the profits between the cost and financial accounts:
- (a) The net profits as per financial accounts Rs. 2, 85,000
 (b) The net profits as per cost accounts Rs. 3, 88,600
 (c) The following items were included in the financial books:
 Directors' fees (Dr.) Rs. 6,500
 Bank interest (Cr.) Rs. 300
 Income tax (Dr.) Rs. 83,500
 (d) Bad debts for Rs. 5,700 were written off in financial books only.
 (e) Overheads in cost accounts absorbed were Rs. 85,000 while the actual were Rs. 83,200.
 (f) A net loss of Rs. 10,000 on sale of old machinery was dealt with in financial accounts.