

Q.1 (a) Multiple choice questions. (any eight)

Cost Acc. SYBMS (Finance)
11/10/19

1) Prime Cost + Factory overheads – Sale of scrap =

- a) Prime cost
- b) Factory cost
- c) Cost of production
- d) Cost of sales

2) Classification of costs into Prime cost, Factory overheads, Office overheads and Selling overheads is

- a) Classification by nature
- b) Classification by behavior
- c) Classification by function
- d) Classification by value

3) Normal Loss is calculated as

- a) Percentage of Input Qty
- b) Percentage of output Qty
- c) Percentage of Sales
- d) None of the above

4) In process accounting, the output of earlier process becomes the _____ of the following process.

- a) Input
- b) output
- c) Scrap
- d) None of the above

5) Labour efficiency is measured by comparing

- a) Actual time with standard time
- b) Actual labour cost with Standard labour cost
- c) Added value for the product with total wage cost
- d) None of these

6) Which of the following items is not included in preparation of a cost sheet?

- a) Carriage inward
- b) Purchase returns
- c) Sales commission
- d) Interest paid

7) Under the high wage plan, a worker is paid

- a) at a time rate higher than the usual industryrate
- b) according to his efficiency
- c) at a double rate for overtime
- d) normal wages plus bonus

8) Which of the following items is not included in preparation of a cost sheet?

- a) Carriage inward
- b) Purchase returns
- c) Sales commission
- d) Interest paid

- 9) Which of the following are direct expenses?
- Cost of special designs, drawings or layouts
 - Depreciation on plant & machinery
 - Salesman's wages
 - Rent, rates and insurance of a factory

10) Which of the following is an example of imputed (notional) cost?

- Rent on owned property
- Depreciation on building owned by business
- Rent on rented premises
- Hire charges of equipments

Q.1 (b) State whether the following Statement is True / False (Any Seven) (7)

- Need for reconciliation arises if costing and financial records are not maintained separately.
- Stores Ledger shows movement of materials showing quantity and value
- Stock levels are fixed up for inventory control.
- Selling and distribution overheads are same as administrative overheads.
- EOQ is called as Re-order Quantity.
- Piece rate method pays the workers by results.
- Under FIFO Method, material purchased first are deemed to be issued first.
- Rent is appointed on the basis of floor space used.
- Allocation and apportionment of overheads means the same.
- In no case, material should go below minimum level.

Q.2 A product passes through 3 process A, B and C. (15)

Particulars	A	B	C
Normal loss %	10%	5%	10%
Scrap Value per unit	3	5	6
Actual output in units	920	870	800
Material consumed	2000	3020	3462
Direct labour	3000	4000	5000
Manufacturing expenses	2,000	2,226	2,500

During the month, 1,000 units were introduced to Process A at a cost of Rs.5,000. Prepare respective Process A/cs and also calculate cost/unit for each process.

OR

Q.2 The following information is supplied from the costing records of a Ujwal Ltd.

Particulars	Rs.
Rent	2,000
Repairs of Plant	1,200
Depreciation of Plant	900
Lighting	200
Insurance of stock	1,000
Employer's Contribution to PF	3,000
Supervision	3,000

Following are the further details which are also available:

Particulars	A	B	C	D
Floor Space (Sq. Ft.)	150	110	90	50

Direct Wages	8,000	6,000	4,000	2,000
Cost of Plant	24,000	18,000	12,000	6,000
Stock value	15,000	9,000	6,000	-
No. of Light Points	5	10	3	2

Prepare Primary Distribution Table showing distribution of overheads among department A, B, C and D.

Q.3 (a) Find EOQ, Annual Ordering cost and Annual Carrying cost from the following data: (8)

Annual consumption	12 tonnes
Unit cost	Rs.100 per kilo
Storage cost	12%
Procurement cost	Rs.18 per order

Q.3 (b) Calculate the earnings of worker under: (7)

- (i) Rowan Plan
(iii) Halsey scheme from the following details.

Hourly Rate of Wages =	Rs.5
Time allowed	90 hours
Actual Time taken	60 hours

OR

Q.3 From the following particulars, prepare stores ledger account under (FIFO) First In First Out method for the month of March 2018. (15)

PURCHASES: -

Date	Units	Rate per Unit (Rs.)
01	500	18
04	700	20
09	900	18
15	300	25
28	500	25

ISSUES: -

Date	Units
02	200
07	500
11	400
16	800
29	100

Q.4 The accounts of Flex Manufacturing Co. for the year ended 31st March, 2018, show the following information :

Production wages	2,50,000
Direct material used	3,18,200
Chargeable expenses	30,000
Sales	7,80,000
Drawing office salaries	10,000
Counting office salaries	18,800
Cash discount allowed	3,000
Carriage outward	5,400
Bad debts written off	8,500

(i) Office	4,000
(ii) Works	15,400
Travelling expenses	3,600
Travellers' salaries and commission	8,500
Depreciation on plant and machinery	6,500
Depreciation on office furniture	1,000
Directors' fee	12,000
Manager's salary (3/4 Factory, 1/4 Office)	24,000
General expenses	4,000
Donations to charitable trust	2,000

Prepare a statement showing (i) Prime Cost (ii) Factory Cost and (iii) Total Cost and (iv) Net Profit.

OR

Q.4 Prepare a statement showing reconciliation between cost records and financial records from the following information of Evershine Industries Ltd. For the year ended March, 2018. **(15)**

Net Profit as per Cost Accounts	3,44,800
Works overhead under-recovered in Cost Accounts	6,240
Depredation over charged in Cost Accounts	2,600
Administration overheads under changed in Financial Accounts	3,400
Interest on Investmentt	7,500
Goodwill written off in Financial books	11,400
Income tax paid	80,600
Stores Adjustment (credit in financial books)	950
Preliminary expenses written off	13,500
Bad debts written off	2000
Bank Interest Paid	1,000

- Q.5** (a) Explain cost accounting and distinguish between financial accounting and cost accounting. **(8)**
 (b) Explain Various Stock Levels. **(7)**

OR

Q.5 Write short note on (any three): **(15)**

1. Cost Classification as per behavior
2. Uniform Costing
3. Process Costing
4. Benchmarking
5. Weighted average Method