

Date
28/02/2025

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Time: 3 Hours

Total Marks: 100

Instructions:

- i. Figures to the right indicate full marks.
- ii. Working notes should form part of your answers.
- iii. Use of simple calculator is allowed.

Q1 A State whether the following statements are True or False. (Any 10) (10)

- 1) Cost of stores is allocated on the basis of Direct Materials.
- 2) In Rowan Plan, Bonus is paid to the workers on the basis of Time Saved.
- 3) Piece Rate Plan improves productivity.
- 4) The stock in hand may exceed the maximum stock level.
- 5) Carrying cost is incurred to hold inventory in the stores.
- 6) Expenses which are incurred in the present are called sunk cost.
- 7) Cost of production includes selling overheads.
- 8) Inventory valuation is done at market value.
- 9) Carriage outwards should be considered as 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) Match the Column A with Column B and rewrite the answers (Any 10) (10)

Column 'A'	Column 'B'
1) Dividend on share capital	a) Number of employees
2) Perpetual Inventory	b) Shown in selling and distribution overheads
3) Halsey Plan	c) Merrick differential Piece Rate system
4) 83% of Normal Piece Rate	d) Shown in financial A/c
5) Depreciation of a office furniture	e) Carrying cost
6) General lighting	f) Shown in factory overheads
7) Supervisor salary	g) Bonus for Time Saved
8) Cost of Catalogues	h) Credited to financial Profit and Loss A/c
9) Storage cost	i) Stock Verification Done Continuously
10) Cost of Production	j) Floor Area
11) Profit on sale of asset	k) Factory Cost plus Office Overheads
12) Depreciation on factory shed	l) Value of office furniture

Q.2.A.

XYZ Ltd. Manufacturers a special product P and provides you the following information.

Demand for X is 5,000 units per month.

(10 marks)

The annual carrying cost is 10%.

Raw material required per unit of finished product – 1 kg.

Ordering cost per order is Rs.1000 and the price of material is Rs.300 per kg.

You are required to calculate the EOQ, Total annual carrying cost, number of orders per year and ordering cost per year.

Q2.B.

The following particulars apply to a particular job:

(10 marks)

Standard production per hour: 12 units

Standard working hours: 7

Normal rate per hour: Rs.36

Shreya produced 60 units

Sowmya produced 80 units

Sushma produced 90 units

Calculate the wages of these workers under Merrick Differential Piece Rate System which applies the following rate structure :

Standard output below 83% receives normal rate

Standard output between 83% and 100% receives 10% above the normal rate and

Standard output above 100% receives 20% above the normal rate

OR

Q2.C.

The following data is available in respect of a material for the year ending 31st December 2024 ; Opening Stock Rs.1,80,000; Purchases Rs.5,40,000; Closing Stock Rs.2,20,000. Calculate Raw material turnover ratio and the number of days for which the average material is held. Number of days in a year to be considered as 366 days.

(10marks)

Q2.D.

Following are the particulars for April 2024, relating to four employees working in Department 'L' of a factory, exclusively for Job No.101.

(10 marks)

Name	Designation	Wages(Rs.)	Per
T	Foreman	6,000	Month
Q	Mechanic	500	Day
R	Machine Operator	300	Day
S	Workman	250	Day

The normal working hours per week of six days are 48, or 8 hours per day. Sundays are paid holidays (There are no other holidays during the month)

Provident Fund contribution was 10% of monthly wages by employee

Provident Fund contribution was 10% of monthly wages by employer

Employee State Insurance Contribution was 4% of monthly wages by employee and 6% of monthly wages by employer.

Calculate:

- Net wages payable by the employer for the month
- The total amount of Provident Fund contribution to be deposited by employer
- Employee State Insurance contribution to be deposited by employer
- Total labour cost to the employer for the month of April, chargeable to the job

Q3.A. Calculate the machine hour rate from the following details: (10marks)

Sr. No.	Particulars	
1	Cost of machinery	Rs. 120000
2	Installation Charges	Rs. 15000
3	Life of the machinery	10 Years
4	Working hours per year	3000
5	Repair Charges	60% of Depreciation
6	Electric Power Consumed	20 Units Per Hour @Rs. 0.75
7	Lubricant Oil	Rs 15 Per Day of 10 Hours
8	Consumable Stores	Rs 45 Per Day of 10 Hours
9	Wages of Machine Operator	Rs 75 Per Day of 10 Hours

Please consider number of days in a year as 300 days for all calculations.

Q3.B. The Net Profit of a company for the year ended on 31st March 2024 was Rs.43150 as shown in the Financial Books. The Cost Accounts disclosed a profit of Rs. 44100 for the same period. On an examination of both the sets of accounts, the following facts were discovered: (10 Marks)

- Patents Written off in Financial Accounts Rs. 600.
- Interest received during the year Rs.150.
- Depreciation charged in financial accounts Rs.1,000.
- Depreciation recovered in cost statements Rs. 2,500.
- Opening stock as on 1st April 2023 as per financial records Rs. 16,500.
- Opening stock as on 1st April 2023 as per cost statement Rs. 15,500.
- Closing stock as on 31st March 2024 as per financial records Rs. 20,000.
- Closing stock as on 31st March 2024 as per cost statement Rs. 21,000.

Prepare a Reconciliation statement reconciling the profit as shown by financial and cost books taking Financial profit as the starting point.

OR

Q3.C.

A company is having three production departments viz. A, B and C and two service departments D and E. (10 marks)

The expenses incurred during the month of March 2024 are as follows:

Expenses	Amount (Rs.)
Power	540000
Light	300000
Rent and Rates	400000
Depreciation on Plant	510000
Supervision	150000

The following information is also available for the above departments:

Particulars	Production Departments			Service Departments	
	A	B	C	D	E
Floor Space (Sq. Ft.)	60	40	36	20	4
Number of workers	4	2	2	3	1
H.P. of Machine	32	20	8	-	-
Value of Plant (Rs)	12000	9000	6000	3000	4000
Number of Light Points	4	2	2	1	1

Prepare Primary Overheads Distribution Summary.

Q3.D. From the following particulars, prepare Reconciliation Statement and ascertain Costing Profit/Loss. Net Profit as per financial P&L A/c Rs.45,000, Opening Stock was overvalued by Rs.3500 in Cost Accounts as compared to financial accounts. Selling overheads charged in Financial Books Rs.18,000 but recovered in Cost books Rs.23,000

(10 Marks)

Loss by theft Rs. 1000.

Bad Debts recorded in Financial books Rs.1,000

Closing Stock as per financial books Rs.9,000, whereas in Cost books it was Rs.10,000.

Q4.A.

M/s Jeevan Manufacturing Company manufactures two types of products viz. Tiny and Toy. The information for the year ended on 31st March, 2024 is as under:

(20 marks)

Particulars	Tiny (Rs.)	Toy (Rs.)
Direct material per unit	280	195
Direct labour per unit	105	85
Direct expenses per unit	75	65

Additional Information:

(1) Factory expenses are charged at 20% of prime cost.

(2) Office expenses are charged at 25% of works cost.

(3) 4,500 units of product Tiny were produced of which 4,250 units were sold and 8,500 units of product Toy were produced of which 8,000 units were sold.

(4) Selling expenses are Rs.15 per unit for product Tiny and Rs.12 per unit for product Toy.

(5) Company charges a profit at 15% on sales for Product Tiny & 20% on sales for Product Toy.

Prepare a cost sheet showing the cost and profit in total as well as in per unit.

OR

Q4.B. From the following details of Rohit Ltd. prepare the cost sheets for the given periods showing the maximum breakup of the elements of cost for the year 2024 (20 marks)

Particulars	Half year ended	
	30-06-2024 40000 units	31-12-2024 50000 units
Direct material consumed	75000	105000
Wages	90000	120000
Chargeable expenses	15000	18000
Depreciation on factory building	24000	30000
Indirect wages	30000	45000
Rent of factory	7500	6000
Repairs of factory	9000	6000
Office salaries	25500	15000
Selling and distribution overheads	24000	30000

Q5. Answer the following:

- a. What are the advantages of Cost Accounting to management and government? (10)
- b. Distinguish between Direct Wages & Indirect Wages? (10)

OR

Q5. Write short notes on any four of the following: (20)

- a. Define the term "cost" and state its characteristics.
- b. FIFO
- c. Unavoidable causes of labour turnover
- d. Variable Overhead
- e. Manufacturing Overhead
- f. Causes of disagreement between cost and financial books
