(6 pages)

NOVEMBER 2023 **51338/SZ34A**

Time : Three hours Maximum : 75 marks

PART A — ($10 \times 2 = 20$ marks)

Answer any TEN questions.

1. Define – Cost Accounting.

2. What is prime cost?

3. What do you mean by bin card?

4. Give the meaning of ABC analysis.

5. What do you understand by differential Piece rate system?

6. What is standard time?

7. Trace the meaning of overheads.

8. Bring out the meaning of under absorption.

9. What do you mean by BEP?

10. State any two objectives of budget.

11. Annual usage = 40,000 units, ordering cost = 100 per order, Inventory carrying cost 10% and cost per unit is Rs. 20 find out EOQ.

12. What are called semi variable cost?

PART B — (5 × 5 = 25 marks)

Answer any FIVE questions.

13. Distinguish between Cost and Financial accounting.

14. Explain the various elements of cost in detail.

15. From the following particulates prepare stores ledger account under LIFO method.

March 2^{nd}	Purchases 200 units @ Rs.200
4^{th}	Issued 150 units
6^{th}	Purchases 200 units @ Rs.220
10^{th}	Issued 100 units
16^{th}	Purchases 200 units @ Rs.210
18^{th}	Issued 220 units
24^{th}	Purchases 150 units @ Rs.230
25^{th}	Issued 190 units
28^{th}	Issued 30 units

16. From the following particulars calculate the wages of 3 workers Amar, Akbar and Anthony under Merrick's Differential Piece Rate. Piece Rate is Rs. 40 per unit, standard output *30* units per day of 8 hours.

Outputs: Amar – 24 units, Akbar – 27 units and Anthony – 36 units.

17. Describe various types of overheads with examples.

18. Prepare a production budget for three months ending March 31, 2018 for a factory producing four products, on the basis of the following information:

Type of Product	Estimated Stock on Januray 1, 2018 Units	Estimated Sales during January-March. 2018 Units	Desired Closing Stock March 31, 2018 Units
W	12,000	20,000	15,000
X	13,000	25,000	14,000
Y	14,000	23,000	13,000
Z	15,000	22,000	12,000

19. From the following information relating to Quick Standards Ltd.,

Total Fixed Costs	Rs. 9,000
Total Variable cost	Rs. 15,000
Total Sales	Rs. 30,000

You are required to find out (a) P.V. ratio (b) Break – even point and (c) Margin of safety.

PART C — (3 × 10 = 30 marks)

Answer any THREE questions.

20. Draw a model Cost sheet with all required information and details.

21. In a factory component A is used as follows:

Normal usage – 50 kg per week

Minimum usage – 25 kg per week

Maximum usage – 75 kg per week

Re-order quantity 300 kg

Re-order period 4 to 6 weeks

Calculate for component A:

(a) Re-order level (b) Maximum level (c) Minimum level and (d) Average stock level.

22. Explain various types of wage payments and Incentive systems.

23. The following information of a manufacturing company which has three production departments A, B and C and two Service Departments P and Q.

Particulars	Production Departments			Service Departments	
	A	B	C	P	Q
Overheads as per primary distribution (Rs.)	12,600	14,800	5,600	9,000	4,000

The company decided to apportion the Service department overhead costs on the following percentages:

	A	B	C	P	Q
P	40%	30%	20%	—	10%
Q	30%	30%	20%	20%	—

Prepare Secondary distribution and find out total overheads of production departments using the simultaneous equation method or repeated distribution method.

24. Draw up the flexible budget for 75% and 100% capacity. The following are data related 50% capacity

Material	100 P. Unit
Labour	50 P. Unit
Variable Exp.	10 P.Unit
Fixed expenses	Rs. 20,000
Administrative Exp. (50% fixed)	Rs. 40,000
Selling and Distribution Exp. (60% fixed)	Rs. 50,000

Present production capacity in units = 1000 units.