

Answer any FIVE questions.

Time : Three hours Maximum : 75 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. Give the meaning of Indirect Cost.
2. What is called factory on cost?
3. State the basic objectives of management accounting.
4. Point out the meaning of Bin Card.
5. Trace the meaning of inventory control.
6. State the meaning of Idle Time.
7. Bring out the meaning of under absorption.
8. Point out the meaning of Apportionment.
9. What is called contribution?
10. What is called marginal cost?
11. Trace the meaning of zero base budget.
12. What is called stores ledger?

13. Distinguish between management and Financial accounting.

14. Explain the objectives of cost accounting.

15. List out any five overheads and base for apportionment of such expenses.

16. From the following particulars prepare stores ledger account under FIFO method.

March 1	Balance 100 units @ Rs. 190 each
2 nd	Purchases 200 units @ Rs. 200 each
4 th	Issued 150 units
6 th	Purchases 200 units @ Rs. 220 each
10 th	Issued 100 units
16 th	Purchases 200 units @ Rs. 210 each
18 th	Issued 220 units
24 th	Purchases 150 units @ Rs. 230 each
25 th	Issued 190 units
28 th	Issued 30 units

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17. From the following particulars calculate the wages of 3 workers Amar, Akbar and Anthony under Taylor's Differential Piece Rate. Piece Rate is Rs. 40 per unit, standard output 30 units per day of 8 hours. Differential rate may be
Outputs : Amar – 40 units, Akbar – 30 units and Anthony 25 units.

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 :

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 January 1, 2018	Estimated sales during January-March, 2018	Desired Closing Stock March 31, 2018	Units
W	12,000	20,000	15,000	15,000
X	13,000	25,000	14,000	14,000
Y	14,000	23,000	13,000	13,000
Z	15,000	22,000	12,000	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

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.

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

Materials	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

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