

C. U. SHAH UNIVERSITY

Winter Examination-2022

Subject Name: Cost Accounting- I**Subject Code: 4CO05CAC2****Branch: B.Com (English)****Semester : 5****Date : 25/11/2022****Time : 02:30 To 05:30****Marks : 70**

Instructions:

- (1) Use of Programmable calculator & any other electronic instrument is prohibited.
 - (2) Instructions written on main answer book are strictly to be obeyed.
 - (3) Draw neat diagrams and figures (if necessary) at right places.
 - (4) Assume suitable data if needed.
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Q. 1 Attempt the following questions: (14)

a) Which of the following material is called indirect material? 1

(A) Yarn used in weaving industry

(B) Wood used in making wooden furniture.

(C) All used in running machinery

(D) Sugarcane used in making sugar

b) Where costs are ascertained after they are already incurred the method used in termed as..... 1

(A) Uniform Costing. (B) Historical Costing

(C) Standard Costing (D) Absorption Costing

c) Where several undertakings of the same industry use the same costing principles and practices, they make use of- 1

(A) Marginal Costing (B) Uniform Costing

(C) Historical Costing (D) Absorption Costing

d) Goods on which some processes have been performed, and which require further processing before being transferred into finished stock go down is called- 1

(A) Semi-finished goods (B) Work-in-progress



- (C)Raw Material (D) Finished Stock
- e) A..... is generally maintained to record all the details of purchase order 1
 (A)Purchase Order (B) Order Register
 (C)Purchase Requisition (D) None of these
- f) In which method stock is valued at a price, which is almost nearer to current market price? 1
 (A)FIFO Method (B) LIFO Method
 (C)Weighted Average (D)Fixed Price Method
- g) In which method stock consists of first purchase? 1
 (A) LIFO Method (B) FIFO Method.
 (C) Weighted Average Method (D) Standard Price Method
- h) In which method price and quantity both are considered? 1
 (A)FIFO Method (B) LIFO Method
 (C) Weighted Average Method (D) None of these
- i) Out of the following which wage system is included in group incentive wage system? 1
 (A)Time Rate System (B) Halsey Plan
 (C) Profit Sharing (D) Piece Rate System
- j) Bonus as per Halsey Method is calculated at- 1
 (A)20% of time wages (B) 33% of time saved
 (C) 50% of time saved (D) None of these
- k) If management is efficient, labour turnover rate can- 1
 (A)Increase (B) Can Make Zero (C) No effect (D) Can Reduce
- l) If a separate meter is not allocated, electricity cost will be apportioned according to- 1
 (A)Horsepower (B) Area occupied (C) Direct Labour (D) Direct material
- m) Contract posting is mostly used in- 1
 (A)Job (B) Service (C) Construction (D) Batch



n) Work-in -progress account in contract account includes- 1

- (A) Work certified + work uncertified (B) Closing Balance of Plant
(C) Closing Balance of Material (D) All of the above

Attempt any four questions from Q - 2 to Q – 8

Q. 2 Attempt all questions

(a) The following information of Shiv limited: 7

- Annual consumption. 12000 units
Cost per unit. Rs.1
Cost per order. Rs.12
Inventory carrying cost. 20%p.a.
Lead time (maximum, average, minimum) 30-15-5 days
Daily consumption (maximum, average, minimum). 45-33-15 units
Maximum time of emergency procurement- 5 days

From the above information find out 1) Ordering Quantity 2) Ordering Level 3) Maximum Level 4) Minimum Level 5) Safety Level 6) Danger Level

(b) The following information is available in respect of material X for the year 7

Particular	Material-1	Material-2
Opening stock.	Rs.30,000	Rs.50,000
Closing stock	Rs.20,000	Rs.50,000
Purchase	Rs.1,40,000	Rs. 3,00,000

Calculate value of average stock, real turnover ratio, material turnover in days.

Q. 3

In the Yashvi manufacturing, there are three production departments A,B,and C and two service departments D and E. The details of the expenses during March 2022 are as under:

Particulars	Rs
Indirect wages	12,000
Insurance	6,000



Canteen Expenses	18,000
Lighting	10,000
Rent and Rates	15,200
Contribution to ESI	5,000
Depreciation	36,000
Power	45,000

Other Informations:

Particulars	A	B	C	D	E
Lighting Points	12	8	8	6	6
Direct wages Rs.	18,000	15,000	12,000	9,000	6,000
Cost of machine	1,44,000	96,000	72,000	24,000	24,000
Horse power of machine	6	6	3	-	-
Space occupied	600	400	500	200	200
No. of workers	50	60	40	20	10

The benefit of service departments D and E, derived by the other departments is in following proportion:

Particulars	A	B	C	D	E
Department –D	20%	30%	40%	-	10%
Department-E	50%	40%	30%	-	-

Prepare the statement showing:

- 1) Distribution of overheads to various departments and,
- 2) Distribution of expenses of service department to production departments

Q. 4 Attempt all questions

- (a) Standard time fixed for a job is 100 hours. A worker is paid at Rs. 0.75 per hour. The actual time taken to complete the job is 80 hours. 04

Calculate (1) Time wage (2) Piece wage

- (b) Shakti Undertook a contract on 1-10-2021 for building a room for Rs. 10



50,000. The particular of expenses etc.. relating to the contract up to 31st December, 2021 were as under :

Rs.

Materials sent on site	18,000
Machinery purchased for the contract	3,000
Wages paid	15,000
Direct expenses paid	1,000
Indirect expenses allocated	500
Material returned to stores	1,000
Machinery costing Rs. 1000 sold During November , 2021 for	900
Work certified	40,000
Cash received	35,000
Work completed but not certified	5,000
Materials on site on 31-12-2021	300
Machinery on site on 31-12-2021	1,500
Unpaid wages on 31-12-2021	500

2/3 of the profit of the contract on the basis of cash received is to be transferred to P & L account.

Q. 5 Attempt all questions

- (a) Workman Sohan allowed 72hours to complete a job on daily time wages and he complete the job in actual 48hours. His time wages is Rs. 7 per hour. 7

Material cost of products is Rs.100 and factory overhead are recovered at 50% of total direct wages.

Calculate the factory cost of product under following wage methods:

(i)Halsey Wage Plan (ii) Rowan Plan

- (b) Calculate Labour Turnover Rate in Narayan Ltd. for the month June, 2021: 7

1) Replacement Method 2) Separation Method 3) Mixed Method (Flux)

4) Annual Equivalent Labor Turn Over Rate as per all three methods



At beginning of June	9,000	At the end of June	11,000
Separated by Resignation	600	Workers suspended	1,000
Workers Retired	1,200	Recruitment (New)	1,400

Out of a new recruitment 40% of workers appointed under expansion plan

Q. 6 Attempt all questions

- (a) Write limitations of Costing 7
- (b) Explain principles of determining Wage Rate 7

Q. 7 Attempt all questions

- (a) Explain Classification of Cost 7
- (b) Write difference between LIFO Method and FIFO Method 7

Q. 8 Attempt all questions

- (a) State advantages of Costing 7
- (b) Write objectives of Material Control 7

