MN10 AFW

TIME : 2 Hrs **MARKS : 60**

Notes: **All the questions are compulsory.**

Q.1 Prepare stores Ledger A/c from the following information under FIFO and LIFO Method for the month of December 2006. **(15)**

Dec. 1 Opening Stock 2200 units @ Rs. 5.00 per unit

Receipts:

Dec. 3 2800 units @ Rs. 4.00 per unit

Dec. 12 1000 units @ Rs. 3.00 per unit

Dec. 21 2500 units @ Rs. 2.00 per unit

Issues:

Dec. 9 3200 units

Dec. 18 1800 units

Dec. 26 2500 units

OR

Q.1 a. Calculate Inventory Turnover Ratio for Material A & Material B. **(10)**

Particulars	**Material A**	**Material B**
Purchases	1,80,000	2,40,000
Opening Stock	30,000	50,000
Closing Stock	40,000	70,000

b. Calculate EOQ from the following. **(5)**

Annual Demand - 12000 tonnes

Cost of Material per tonne Rs. 100

Annual Carrying Cost - 12%

Cost of placing an order Rs. 20 per order.

Q.2 a. Explain the following. **(6)**

1. Casual Workers
2. Factory Overheads

b. Match the following. **(5)**

A	B
1. Cost Unit	1. Minimise Stock holding Costs
2. Financial Accounting	2. Dial Time Recorder
3. Fixed Cost	3. Unit of Product or Service of Time
4. Maximum Level	4. Concerned with history records
5. Recording Attendance Time	5. Period Cost

c. State whether the following statements are True or False. **(4)**

1. As per FIFO methods of stock valuation it is assumed that latest lost are used up first.
2. Cost Accounting is helpful to management for cost control.

1. He is paid ₹. 6 per unit on the basis of actual units produced by him on ₹. 10,000 per month whichever is higher.
   a. If his production for month is 1500 units.
   b. If his production for the month is 1000 units.
2. He is paid guaranteed wages according to time rate which is ₹. 7000 p.m. plus ₹. 2 per unit. Place rate for units produced above the required minimum output of 18,000. His actual production during a month is 19500 units.
3. He is paid ₹. 24 per unit plus a fixed dearness allowance of ₹. 700 per month. He has produced 1500 units per month.

b. Calculate the wages of a worker under Halsey Premium Plan & Rowan Premium Plan. (7)

Weekly working hours	45
Hourly wage rate	₹. 8.00
Piece Rate per unit	₹. 5.00
Normal output per week	150
Actual output per week	180

OR

Q.3 Water Ltd., has manufacturing unit with Three production cost centres A, B, C and two service cost centres X & Y. Following details of production overheads estimated by the company for the year 1999 - 2000. (15)

Particulars	₹.
Rent & Taxes on building	32,000
Power	40,000
Staff Welfare	30,000
Insurance on building	16,000
Depreciation on machine	60,000
Insurance on Machinery	30,000

Other details of cost centre are:

Particulars	A	B	C	X	Y
Floor areas ('000 sq. ft)	10	20	30	10	10
Workers	10	15	15	5	5
H.P. of machinery	30	20	25	15	10
Cost of machinery (Lacs)	6	2	1	1	0
Machine Hours	1000	8000	750	—	—

Service cost centres render service to other cost centres in following proportion.

Particulars	A	B	C	X	Y
Cost centre X in Percentage	40	30	20	—	10
Cost centre Y in Percentage	20	40	20	20	—

You are required to prepare:

1. Primary overhead distribution summery on equitable basis.
2. Also prepare statement showing secondary distribution by Repeated Distribution Method.

Q.4 From the following information prepare Cost Sheet of Sunshine Ltd. for the year ended 31st March, 2013. **(15)**

Particulars	Amount
Opening Stock of Raw Materials	₹. 15,000
Purchases of Raw Materials	₹. 300,000
Closing Stock of Raw Materials	₹. 9,000
Carriage Inward	₹. 3,000
Interest on Investments	₹. 6,000
Carriage Outwards	₹. 2,800
Maintenance of Plant & Machinery	₹. 2,600
Indirect wages	₹. 6,000
Power & Fuel	₹. 2,200
Depreciation on Plant & Machinery	₹. 2,900
Direct wages	₹. 190,000
Direct Expenses	₹. 10,000
Office Salaries	₹. 16,000
Depreciation on Office equipments	₹. 4,200
Salesman's Salaries	₹. 3,900
Free gifts & samples	₹. 1,700

Production and Sales 5000 units. Company is having a policy to calculate profits 20% on sales.

OR

Q.4 **a.** What are the advantages of Cost Accounting? **(10)**

b. Write a note on 5 A's of Cost Accounting. **(5)**

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