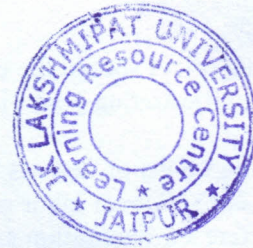




Institute of Management
JK LakshmiPat University
Jaipur



END TERM EXAMINATION 2015

BBA (FT) Sem-II

MM: 50 Marks

Course: Introduction to Costing

Time: 3 Hours

Subject code: BBA201

Instructions: Attempt any three questions from Section A. Section B is compulsory.

Section A

All questions carry equal marks of 10.

Q1. From the following particulars work out the earnings for the week of a worker under:

- a. Straight piece rate
- b. Differential piece rate
- c. Halsey weir premium system
- d. Rowan System

Number of working hour per week	48
Wages per hour	Rs.3.75
Rate per piece	Rs. 1.50
Normal time per piece	20 Minutes
Normal output per week	120 pieces
Actual output per week	150 pieces

Q2. A manufacturing Concern purchases from time to time large quantities of a commodity used in the manufacture of one of its products. Following are the details of purchases during the six months ended 31st December, 2010.

2010	Quantity	Cost price per 100
August 12	5,000	20
September 15	12,500	21
October 20	10,000	19
November 3	7,500	18
December 1	6,000	18
December 20	1,500	17

There were 7,500 units in stock at July 1, 2010, which were valued at Rs. 19 per 100.

Quantities were issued from Store during the six months were as under:

2010	Quantity
July, 25	5,000
August 28	4,000
September 29	12,500
October 30	10,000
November 15	9,000
December 29	7,500

At what prices should the issues be charged and the closing stock valued?. Prepare a Stores ledger account illustrating your views.

Q3. The books of Jealous Manufacturing Company present the following data for the month of April, 2015. Direct labor cost Rs. 17,500 being 175% of the works overhead; cost of goods sold excluding administration expenses Rs. 56,000.

Inventory account showed the following opening and closing balances:

	April 1	April 30
Raw materials	8,000	10,600
Work-in-progress	10,500	14,500
Finished Goods	17,600	19,000
Selling expenses	Rs. 3,500	
General and Administration exp	Rs. 2,500	
Sales for the month	Rs. 75,000	

You are required to (i) compute the value of material purchases. (ii) Prepare a statement of cost showing the various elements of cost and also the profit.

Q4. Write Short notes on any (3).

- Allocation and apportionment
- Labor turnover
- Merrick's multiple piece rate system
- Objectives of Cost accounting

Q5. Discuss the various methods and types of Costing.

Section B

Q6. (A)

International motor manufacture crankshafts for jeeps and Trucks, they have furnished the following particulars for the quarter ended March 31, 2010.

Material Rs. 2,98,000 ; Direct Wages Rs. 42,000 ; Store expenses Rs. 20,000 ; Machinery Maintenance Rs. 4,600 ; Depreciation Rs. 22,300 ; Staff Welfare Rs. 12,000 ; General Expenses Rs. 30,000 ; Administration and Selling expenses Rs. 27,000.

Additional information provided by them:

	JEEP	TRUCK
Production (Nos.)	300	400
Material Cost ratio per vehicle	1	2
Direct labor ratio	2	3
Machine hour ratio	1	2

Calculate the cost per crankshaft of each vehicle indicating the basis of apportionment adopted by you.



Q6.(B)

The Ultra sound Company Ltd is divided into four departments – A, B and C are the production departments and D is the service department. The actual costs for Apr, 2015 were as follows:-

	Rs.
Rent	1,000
Repairs to plant	600
Depreciation of plant	450
Light	100
Supervision	1,500
Fire insurance stock	500
Power	900

Employees State insurance contribution is Rs. 150.

The following additional information is available regarding four departments:-

Departments	A	B	C	D
Area (Sq.ft)	1,500	1,100	900	500
No. of Employees	20	15	10	5
Total Wages (Rs.)	6,000	4,000	3,000	2,000
Value of Plant (Rs.)	24,000	18,000	12,000	6,000
Value of Stock (Rs.)	15,000	9,000	6,000	-

Apportion the cost to the various departments by preparing a overhead distribution chart.