



Institute of Management
JK Lakshmipat University, Jaipur
MID TERM-II EXAMINATION APR 2019

BBA& B.Com (H) Sem-II.
MM: 20 Marks

Course: Cost Accounting Principles & Practice
Time: 1.5 Hours
Subject code: AC 17

Note: Answer any 4 Questions from below.

1. M/s tubes Ltd are the manufactures of picture tubes for TV. Following are the details of their operation during 2013.
Average Monthly market demand 2000 tubes; ordering cost Rs. 100 per order; inventory carrying cost 20% per annum; Cost of tubes Rs. 500 per tube; Normal usage 100 tubes per week; Minimum usage 50 tubes per week; Maximum usage 200 tubes per week; Lead time to supply 6-8 weeks.

Compute from the above:

- i. Economic ordering Quantity
 - ii. If the supplier is willing to supply quarterly 1500 units at a discount of 5%, is it worth accepting?
 - iii. Maximum level of stock
 - iv. Minimum level of stock
 - v. Reorder level of stock.
2. From the following details of Stores receipt and issues of material EXE in a manufacturing unit, prepare the stock Ledger using Weighted Average Method of valuing the issues.

Nov 1	Opening stock 2000 units @ 5 each
Nov 3	Issued 1500 units to production
Nov 4	Received 4500 units @ 6 each
Nov 8	Issued 1600 units to production
Nov 9	Returned to stores 100 units by production department (from issue of Nov 3)
Nov 16	Received 2400 units @ 6.50 each
Nov 19	Returned to suppliers 200 units of the quantity received on Nov 4
Nov 20	Received 1000 units @ 7 each
Nov 24	Issued to production 2100 units
Nov 27	Received 1200 units @ 7.50 each
Nov 29	Issued to production department 2800 units

Q3. Following particulars for the first week of September, 2013 related to X and Y, two workers employed in a factory.

	X	Y
Job completed	3600	4200
Out of above, output rejected and unsaleable	540	420
Time allowed	12 minutes per dozen	3 hours per 200 units
Basic wages rate per hour	Rs. 5	Rs. 6
Hours worked	45	50