



Institute of Management
JK Lakshmipat University
Jaipur
END TERM EXAMINATION APRIL 2018

BBA/B.Com –IInd Sem
MM: 50 Marks

Course: Cost Accounting Principles & Practice
Time: 3 Hours
Subject code: AC17

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

Each Question of Section A is of 10 Marks.

Section A

Q1 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 under weighted average method illustrating your views.

Q2. Calculate the earnings of workers A,B and C under the Taylor's Differential piece rate system and Merrick's Multiple piece rate system from the following particulars.

Normal Rate per hour- Rs. 5.40

Standard time per unit – 1 minute

Output per day is as follows-

Worker A- 390 units

Worker B – 450 units

Worker C- 600 units
Working hours per day are 8

Q3. Explain any (2) the following:-

- Treatment of idle time and overtime
- Various methods of overhead absorption
- Various techniques of Material Control

Q4. 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 Wealfare Rs. 12,000 ; General Expenses Rs. 30,000 ; Administration and Sellingexpenses 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.

Q5. Write Shorts notes on any (2).

- Bases for apportionment, Re-apportionment
- Labor turnover and its causes
- Classification of Overheads

Section B

Q6.

(A) PH Ltd is a manufacturing company having three production departments, A, B, C and two service departments, X and Y. The following is the budget for March, 2016.

	Production Departments			Service Departments	
	A	B	C	x	y
Direct Material	1,000	2,000	4,000	2,000	1,000
Direct Wages	5,000	2,000	8,000	1,000	2,000
Rent- 4,000					
Power- 2,500					
Depreciation – 1,000					
Other overheads – 9,000					
Additional Information:					

Area (Sq.ft)	500	250	500	250	500
Capital Value	20	40	20	10	10
Machine Hours	1,000	2,000	4,000	1,000	1,000
H.P of Machines	50	40	20	15	25

A technical assessment for the apportionment of expenses of service department is as under:

Total	A	B	C	X	Y
Service Dept X	45%	15%	30%	-	10%
Service Dept Y	60%	35%	-	5%	-

You are required to show:-

- A statement showing distribution of overheads to various departments. (5 Marks)
- A Statement showing distribution of service department expenses to the production departments. (5 Marks)
- Machine hour rates of the production departments : A, B, and C. (2 Marks)

Q6 B. What will be the earnings of a worker at 55 paise per hour when he takes 140 hours to do a volume of work for which the standard time allowed is 200 hours. The plan of payment of bonus on a sliding scale is as under:

- Within the first 10% saving in standard time, the bonus is 40% of time saved.
- Within the second 10% saving in standard time, the bonus is 50% of the time saved.
- Within the third 10% saving in standard time, the bonus is 60% of the time saved.
- Within the fourth 10% saving in standard time, the bonus is 70% of the time saved.
- For the rest the bonus is 75% of the time saved. (8 Marks)