(6 pages)

DECEMBER 2022 **U/ID 46512/UNC4A**

Time : Three hours Maximum : 75 marks

SECTION A — ($10 \times 2 = 20$ marks)

Answer any TEN questions

1. Define Cost accounting.

2. Give the meaning of factory overhead.

3. Expand the terms EOQ and JIT.

4. Write the meaning of time rate system.

5. What is over absorption?

6. In which basis you have allocated Rent and ESI contribution expenses?

7. Define Ratio.

8. What is Solvency ratio?

9. What is Working capital?

10. State the meaning of cash flow analysis.

11. Define the term Marginal costing.

12. What do you mean by budget committee?

SECTION B — ($5 \times 5 = 25$ marks)

Answer any FIVE questions

13. Briefly explain different ways of 'classifying cost'.

14. Determine the prime cost from the following

	Rs.
Direct wages	50,000
Chargeable expenses	5,000
Opening stock of materials	10,000
Materials bought during the period	60,000
Closing stock of materials	20,000
Carriage inwards	1,500
Carriage outwards	2,000
Materials returned to supplier	1,500

15. Compute the economic order quantity from the following

Price per unit purchased Rs. 50

Ordering costs per order Rs. 10

Carrying costs 10%

(Annual consumption 1000 units)

16. Calculate the total earnings from the following data under Halsey Plan and Rowan Plan.

Standard time: 10 hours

Time taken: 8 hours

Time rate : Rs. 2.50 per hour.

17. How do you classify the overheads?

18. What are the advantages of ratio analysis?

19. From the following particulars calculate BEP units and also find out the selling price per unit if BEP is to be brought down to 4,000 units

Variable cost per unit Rs. 60

Fixed expenses Rs. 2,00,000

Selling price per unit Rs. 100

SECTION C — ($3 \times 10 = 30$ marks)

Answer any THREE questions

20. Distinguish between financial accounting and cost accounting.

21. From the following information, calculate

(a) Maximum stock level

(b) Minimum stock level

(c) Reorder level

(d) Average stock level

Minimum consumption — 240 units per day

Maximum consumption — 420 units per day

Normal consumption — 300 units per day

Reorder quantity — 3,600 units

Reorder period — 10 — 15 days

Normal reorder period — 12 days

22. ABC limited producing concern is divided into four departments A,B,C are production departments and D is a service department. The actual expenses for a period are as follows

	Rs.		Rs.
Rent	10,000	Supervisory expenses	15,000
Repairs to plant	6,000	Fire Insurance	5,000
Depreciation to plant	4,500	Power	9,000
Lighting expenses	1,200		

The following information is available in respect of the four departments :

	A	B	C	D
Area (sq.ft)	1,500	1,100	900	500
H.P. of plant	20	15	10	5
No. of employees	200	150	100	50
Total wages (Rs.)	60,000	40,000	30,000	20,000
Value of Plant (Rs.)	2,40,000	1,80,000	1,20,000	60,000
Value of Stock (Rs.)	1,50,000	90,000	60,000	Nil

Apportion the costs to the various departments on the most equitable method.

23. The following are the Balance Sheet of S Ltd as on 31.12.95 and 31.12.96 Balance Sheets.

Liabilities	1995 Rs.	1996 Rs.	Assets	1995 Rs.	1996 Rs.
Share capital	1,00,000	1,25,000	Building	1,00,000	95,000
Reserves	25,000	30,000	Machinery	75,000	85,500
P and L account	15,250	15,300	Stock	50,000	37,000
Bank loan	35,000		Debtors	40,000	31,100
Creditors	75,000	67,600	Cash	250	300
Provision for tax	15,000	17,500	Bank		4,000
			Investment		2,500
	2,65,250	**2,55,400**		**2,65,250**	**2,55,400**

Additional information

(i) Dividend of Rs. 11,000 was paid

(ii) Machinery was purchased for Rs. 15,000

(iii) Income tax paid during the year Rs. 16,500
Prepare cash flow statement

24. PL Limited plans to sell 1,10,000 units of a certain product line in the first fiscal quarter, 1,20,000 units in the second quarter, 1,30,000 units in the third quarter and 1,50,000 units in the fourth quarter and 1,40,000 units in the first quarter of the following year. At the beginning of the first of the current year, there are 14,000 units of product in stock. At the end of each quarter, the company plans to have an inventory equal to one-fifth of the sales for the next fiscal quarter. How many units must be manufactured in each quarter of the current year?

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