(7 pages)

MAY 2023 **U/ID 46512/UNC4A**

Time : Three hours Maximum : 75 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. What is cost unit?

2. What is Management accounting?

3. Give the meaning of labour turnover.

4. State the meaning of cost sheet.

5. Expand the terms ABC and HIFO.

6. Define Overhead.

7. Give the meaning of over absorption.

8. What is Profitability ratio?

9. Write about the stock turnover ratio.

10. State the meaning of Cash flow analysis.

11. What is angle of incidence?

12. What is budget centre?

PART B — (5 × 5 = 25 marks)

Answer any FIVE questions.

13. Explain the various advantages of cost accounting.

14. The following information is given to you

	Rs.
Materials	60,000
Labour	45,000
Factory overheads	13,500
Office overheads	12,850
Sales	1,55,485

Calculate factory overhead on labour, office overhead rate on works cost and percentage of profit.

15. From the following figures, calculate Economic Order Quantity

Annual consumption of material 4,000 kg.

Cost of placing one order Rs. 5

Cost per unit Rs. 2

Storage and carrying cost 8% of average inventory

16. Calculate the earnings of a worker under Halsey premium plan and Rowan scheme.

Time allowed = 48 hours

Time taken 40 hours

Rate per hour Re. 1

17. Calculate from the following data the machine hour rate for machine A

Cost of machine Rs. 1,050

Estimated scrap value Rs. 50

Effective working life 20,000 hours

Running time in 4 weekly period 150 hours

Weekly amount payable under maintenance agreement covering all repairs Rs. 7.50. Standing charges allocated to machine per 4 weekly period Rs. 6.00. Power used by machine 5 units per hour at 6 paise per unit.

18. 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

19. From the following balances you are required to calculate cash from operations.

	31.12.2015 Rs.	31.12.2016 Rs.
Debtors	50,000	47,000
Bills receivable	10,000	12,500
Creditors	20,000	25,000
Bills payable	8,000	6,000
Outstanding expenses	1,000	1,200
Prepaid expenses	800	700
Accrued income	600	750
Income received in advance	300	250
Profit made during the year		1,30,000

PART C — (3 × 10 = 30 marks)

Answer any THREE questions.

20. Explain the objectives of cost accounting.

21. X company has purchased and issued materials as under.

2008			
June	1	Stock of materials	200 units at Rs. 2.50 per unit
	3	Purchased	300 units at Rs. 3 per unit

7	Purchased	500 units at Rs. 4 per unit
10	Issued	600 units
12	Purchased	400 units at Rs. 4 per unit
18	Issued	500 units
24	Purchased	400 units at Rs. *5* per unit
28	Issued	200 units

Prepare the stores ledger under FIFO method and LIFO method.

22. In a factory there are two service departments P and Q and three production departments A, B and C. During April 2005 the departmental expenses were:

	Rs.
Department – A	65,000
Department – B	60,000
Department – C	50,000
Department – P	12,000
Department – Q	10,000

The service department expenses are allocated as follows:

	A	B	C	P	Q
Service Department P	30%	40%	15%	—	15%
Service Department Q	40%	30%	25%	5%	—

Distribute the service department expenses over the production departments under Repeated Distribution method.

23. From the following information, make out a statement of proprietors funds with as many details as possible:

Current ratio 2

Liquid ratio 1.25

Proprietary Ratio (fixed assets/Proprietors funds) 0.60

Working capital Rs. 50,000

Reserve and surplus Rs. 25,000

Bank overdraft Rs. 10,000

There is no long term loan or fictitious asset.

24. The following are the cost data relating to the manufacture of a product

Selling price – Rs. 10 per unit

Trade discount — 5% of selling price

Material cost — Rs. 3 per unit

Labour — Rs. 2 per unit

Fixed overheads Rs. 10,000

Variable overheads — 100% of labour cost

Calculate:

(a) BEP and

(b) Profit if sales are 15% above breakeven volume.
