

PG DEPARTMENT OF COMMERCE (CA)

QUESTION BANK

COURSE: B.Com (CA)

SEMESTER : IV

SUBJECT CODE: 17UCC410

SUBJECT: Cost Accounting

K1 Level

1. A technique and a process of ascertaining costs is _____
a) Cost **b) Costing** c) Financing d) Managing
2. The method of accounts in which all costs incurred to carry out activity are allocated is ____
a) Financial Accounting b) Management Accounting **c) Cost Accounting** d) None
3. The Amount of actual expenditure incurred and the notional expenditure attributable for given thing is _____
a) Cost b) Expenses c) Liability d) Loss
4. The presentation of accounting information to assist management in decision making is ____
a) Financial Accounting **b) Management Accounting** c) Cost Accounting
d) All of them
5. Accounting for revenues, expenses, assets and liabilities to carry out general business is ____
a) Management Accounting b) Cost Accounting **c) Financial Accounting**
d) both a & c
6. The method of cost applicable for separate jobs, batches or contracts authorized by specific order is _____
a) Operation Costing **b) Specific Order Costing** c) Multiple Costing
d) Job Costing
7. The costs collected and accumulated for each job, work order or project separately is ____
a) Job Costing b) Contract Costing c) Batch Costing d) Multiple Costing
8. Cost for big job, spread over long time and has separate account for each individual contract is _____
a) Batch Costing **b) Contract Costing** c) Job Costing d) Operation Costing
9. Cost involved for each batch representing number of small jobs passed through the factory

is _____

- a) Job Costing b) Contract Costing **c) Batch Costing** d) Specific Order Costing

10. Cost suitable for industries where production is continuous is _____

- a) Batch Costing **b) Process Costing** c) Contract Costing d) Job Costing

11. Cost suitable for concerns manufacturing continuous and identical units is _____ costing.

- a) Operation Costing b) Service Costing **c) One Operation Costing** d) Job Costing

12. Cost involved in organisations which provides services instead of producing goods are _____ costing.

- a) Farm Costing **b) Service Costing** c) Multiple Costing d) Batch Costing

13. The cost that helps to calculate per unit and total cost of farming activities are called _____ costing.

- a) Service Costing b) Operation Costing **c) Farm Costing** d) Process Costing

14. The manufacturing cost of a number of distinct operations are termed as _____ costing.

- a) Multiple Operating Cost** b) One Operation Costing c) Operation Costing
d) None of them.

15. The application of more than one methods of costing in respect of same product is said to be as _____ costing.

- a) Service Costing b) Farm Costing **c) Multiple Costing**
d) Multiple Operation Costing.

16. The sum of direct materials, labour and expenses are called _____

- a) Prime Cost** b) Factory Cost c) Administrative Cost d) Selling Cost

17. The total of prime cost and works overheads are known as _____

- a) Factory Cost** b) Prime Cost c) Selling Cost d) Distribution Cost

18. The addition of works cost with administration overheads is _____

- a) Cost of Production** b) Cost of Sales c) Administrative Cost d) Prime Cost

19. Total cost is also known as _____

- a) Total Revenue **b) Cost of Sales** c) Cost of Production d) Sales Price

20. Cost of production plus selling and distribution overheads is _____

- a) **Total Cost** b) Total Revenue c) Sales Overheads d) Selling Cost
21. Difference between cost of sales and selling price is called _____
- a) **Profit or loss** b) Revenue c) Expenditure d) Loss
22. The materials directly enter the production and form a part of finished product is known as _____
- a) Finished Material **b) Direct Material** c) Indirect Material d) Raw Material
23. The labour expended in converting raw material into finished goods is known as _____
- a) **Direct Labour** b) Indirect Labour c) Supervisor d) Contract Worker
24. The expenses incurred specifically for a particular product, job etc are termed as _____
- a) Indirect Expenses b) Profitable Expenses **c) Direct Expenses**
- d) Non-Profitable Expenses
25. The aggregate cost of indirect materials, labour and expenses not charged equally to specific units are called as _____ cost.
- a) Overheads Cost b) Direct Cost **c) Aggregate Cost** d) Production Cost
26. The availability of right quality of material in right quantity, time, place and amount is known as _____
- a) Material Availability **b) Material Control** c) Stock of Material
- d) Material Generation
27. The two aspects of material control are operational and _____ aspects.
- a) **Accounting Aspects** b) Production Aspects c) Sales Aspects
- d) Inventory Aspects
28. The level of material controlled between maximum and minimum levels are termed as ____
- a) Danger Level b) Average Stock Level c) Minimum Level **d) Re-order Level**
29. Maximum Consumption * Maximum Re-order Level = _____
- a) **Order in Level** b) Maximum Level c) Minimum Level d) Danger Level
30. The other name for minimum level is _____

- a) Danger Level **b) Safety stock Level** c) Re-order Level
- d) Minimum Consumption Level
31. Re-ordering Level – (Normal Consumption * Normal Re-order Period) = _____
- a) Maximum Level **b) Minimum Level** c) Average Stock Level d) Danger Level
32. The Minimum quantity of Material to be maintained all times is _____
- a) Minimum Level** b) Re-order Level c) Danger Level d) Average Stock Level
33. Re-ordering Level + Re-ordering Quantity – (Minimum Consumption * Minimum Re-ordering Period) = _____
- a) Minimum Stock Level **b) Maximum Stock Level** c) Average Stock Level
- d) Danger Level
34. The highest amount of stock maintained at any time is _____
- a) Average Stock Level b) Minimum Stock Level c) Danger Level
- d) Maximum Stock Level**
35. The normal issue of material stopped and issues are made at specific instruction in _____ level.
- a) Average Stock Level **b) Danger Level** c) Re-order Level d) Minimum Stock Level
36. Average consumption * Maximum Re-Order Period for emergency purchases is _____
- a) Average Stock Level b) Minimum Level c) Re-Order Level **d) Danger Level**
37. EOQ stands for _____
- a) Economically Ordered Quality b) Economic Order Quality
- c) Essential Order Quantity **d) Economic Order Quantity**
38. Total acquisition cost added with total ordering cost and total carrying cost gives _____
- a) Total Cost of Production **b) Total Cost of Materials** c) Total Sales d) Total Cost
39. Quantity of material to be ordered at one single time is _____
- a) Re-Order Quantity b) Minimum Quantity c) Maximum Quantity
- d) Economic Order Quantity**
40. In the formula of EOQ, C Stands for _____

a) Cost b) Control c) Contract Value **d) Consumption**

41. In ABC analysis, ABC explains about _____

a) Always Better Control b) Availability Based Control c) Access Based Control
d) Assumption Based Control

42. In VED analysis, VED stands for _____

a) Value Enabled Deduction **b) Vital Essential Desirable**
c) Value Enacted Deduction d) Vital Effective Desirable

43. Expansion of LIFO _____

a) Last In-Fresh Out b) Least In-First Out c) Last In-Least Out **d) Last In-Last Out**

44. Materials received first are issued first in _____

a) HIFO Method b) LIFO Method **c) FIFO Method** d) FILO Method

45. The total price of the stock divided by number of prices gives _____

a) Weighted Average Cost **b) Simple Average Cost** c) Cumulative Cost d) None

46. The total cost of materials in stock divided by total quantity is _____

a) Simple Average Cost b) Cumulative Cost c) Average Consumption Cost
d) Weighted Average Cost

47. The predetermined price at which receipts and issues are to be valued is _____

a) Market Price Method b) Inventory Price Method c) Base Stock Method
d) Standard Price Method

48. Materials that are subject to natural wastage are priced at _____

a) Market Price Method b) HIFO Method **c) Inflated Price Method** d) None

49. The replacement price or the realisable price is _____ price.

a) Market Price b) Inflated Price c) Standard Price d) Cost Plus Price

50. The minimum quantity of stock is _____

a) Base Stock b) Re-Order Quantity c) Average Stock d) Danger Level Stock

51. The second major element of cost is _____

- a) Material Cost b) Direct Expenses c) Indirect Expenses **d) Labour Cost**
52. The two types of labour are _____
- a) **Direct and Indirect Labour** b) Short term and Long Term Period Labour
- c) Permanent and Temporary Labour d) Skilled and unskilled labour
53. The various items of expenditure incurred on workers by the employers are called _____ cost.
- a) Direct Cost **b) Labour Cost** c) Monetary Expenses d) Factory Cost
54. The indirect form of employee compensation is _____
- a) **Fringe Benefits** b) Monetary Benefits c) Bonus d) Incentives
55. The percentage change in the labour force of an organisation is _____
- a) Skilled Labour b) Addition of Labour c) Discharge of Labour
- d) Labour Turnover**
56. The process of determining by observation, study and reporting pertinent information of specific job is _____
- a) Job Evaluation b) Job Analysis c) Job Description **d) Job Analysis**
57. A systematic technique to determine the worth of a job is _____
- a) **Job Evaluation** b) Job Analysis c) Job Description d) None of them
58. The technique used to evaluate the workers actual performance in a job is _____
- a) **Merit Rating** b) Job Analysis c) Performance Analysis d) Job Evaluation
59. The process of recording the time of each worker engaged in a factory is known as _____
- a) Time Management b) Time Analysis c) Time Effectiveness **d) Time Keeping**
60. A method of recording the time spent by each worker on different jobs are called _____
- a) Time Keeping **b) Time Booking** c) Job Cards d) Job Analysis
61. The difference between the time booked for different jobs and get time is known as _____
- a) **Idle Time** b) Idle Management c) Idle Job d) None of them
62. The wastage of time which cannot be avoided is termed as _____

a) Idle Wastage b) Normal Idle Wastage Time c) Abnormal Idle Time Wastage

d) Normal Idle Time

63. The wastage of time which can be avoided through proper precautions is _____

a) Normal Idle Time **b) Abnormal Idle Time** c) Overtime d) Idle Time

64. The work done beyond normal work period is _____

a) Idle Time **b) Overtime** c) Abnormal Work Time d) Work Time

65. The system in which a worker is paid hourly, daily, weekly or monthly rate is _____

a) Piece Rate System **b) Time Wage System** c) Premium Plans

d) Gant's Tank Plan

66. The system where fixed rate is paid for each unit produced or job completed is _____

a) Rowan's Premium Plan b) Time Wage System **c) Piece Rate System**

d) Halsey's Wage System

67. System in which 3 piece rates are applied for workers with different levels of Performance is _____

a) Taylor's Differential piece rate system **b) Merricks Multiple piece rate system**

c) Straight piece rate system d) Gant's Task Plan

68. Standard time is fixed and compared with workers actual performance is _____

a) Rowan's Plan b) Halsey's Plan **c) Gant's Task and Bonus Plan**

d) Straight Piece Rate System

69. $T \cdot R + \% (S - T) R$ is the formula of _____

a) Rowan Plan b) Halsey Plan **c) Gant's Task Plan** d) Bonus Plan

70. The total amount remained fixed with changes in the volume of output is known as _____

a) Variable Overheads b) Semi variable Overheads c) Semi fixed Cost

d) Fixed Overheads

71. The cost which is partly affected by fluctuations in the level of activity is _____

a) Semi Variable Cost b) Variable Cost c) Fixed Cost d) Both B and C

72. The allocation and apportionment of the expenses to cost centres is also known as _____

- a) **Departmentalisation of Overheads** b) Decentralisation of Overheads
 c) Determination of Overheads d) Dispatch of Overheads
73. A single overhead computer for the Factories as a whole is termed as _____
 a) Pre-Determined Overhead Rate b) Centralised Overhead Rate
 c) Multiple Overhead Rate **d) Blanket Overhead Rate**
74. The overhead rate is the pre-determined rate calculated with reference to normal capacity is _____
 a) Multiple Overhead Rate **b) Normal Overhead Rate**
 c) Pre-Determined Overhead Rate d) Blanket Overhead Rate
75. The cost of running a machine per hour is _____
a) Machine Hour Rate b) Piece Rate Hour c) Standard Hour Rate
 d) Multiple Piece Rate Hour
76. Each stage of Production is _____
 a) Product **b) Process** c) Progress d) Promotion
77. The ascertainment of cost at each stage production is _____
 a) Production Costing b) Progress Costing c) Promotional Costing
d) Process Costing
78. The loss that occurs in the process of Production is _____ loss.
a) Process b) Production c) Product d) Promotion
79. The Loss of Units in Production process caused by nature or unavoidable causes is _____
 a) Product Loss **b) Normal Loss** c) Abnormal Loss d) Price Loss
80. The cost of _____ loss is considered as a part of production
a) Normal b) Abnormal c) Product d) None
81. The loss that exceeds normal limits and which can be avoided is _____ loss
 a) Product b) Normal **c) Abnormal** d) Price
82. The difference between Pre-determined normal loss and actual loss is _____

- a) Normal Loss b) Normal Gain **c) Abnormal Gain** d) Abnormal Loss
83. The Profit earned from the transfer of output from one process to the next is _____
- a) Normal Profit **b) Inter Process Profit** c) Abnormal Profit d) Intra Process Profit
84. Raw materials, Labour and Overheads costs incurred for products at various stages of production is _____
- a) Finished Goods b) Production Process **c) Work in Progress**
- d) Product Expenses
85. The expected output is equal to _____
- a) Input-Normal Gain b) Input-Abnormal Gain c) Input-Abnormal Loss
- d) Input-Normal Loss**
86. The cost of closing stock = _____
- a) Cost/Total*Value of Closing Stock** b) Cost/Total + Value of Opening Stock
- c) Cost/Total-Value of Closing Stock d) None of them
87. In process costing, cost follows through _____
- a) Finished Goods **b) Product Flow** c) Price Rise d) Normal Gain
88. Which of the following method is used in large oil refinery _____
- a) Job Costing b) Unit Costing c) Operation Costing **d) Process Costing**
89. Sometimes, materials may not be put into process _____
- a) Continuously b) At the beginning of the Operation **c) In shipping department**
- d) At the end of the operation
90. The type of loss that should not affect the cost of inventories is _____
- a) Abnormal Loss** b) Normal Loss c) Seasonal Loss d) None
91. In which method each job is treated as a cost unit _____
- a) Job Costing** b) Contract Costing c) Process Costing d) Unit Costing
92. The first step in Job Order Cost system is _____

a) Receiving of Order b) Paying for Order c) Production Order

d) Receiving an Enquiry

93. The contract where both the parties agree to a fixed contract price is _____

a) Cost plus Contract **b) Fixed Price Contract** c) Future Price Contract

d) Both a and b

94. The contract where contractor fixes a fee towards profit is _____

a) Cost plus Contract b) Fixed Price Contract c) Fluctuating Price Contract

d) None of them

95. The sub contract cost is shown on _____ side of the contract account

a) Debit b) Credit c) Contra entries on both sides d) No entry made

96. In contract costing, most of the items of cost are _____ in nature

a) Direct b) Indirect c) Equal d) Unequal

97. The loss incurred on an incomplete contract is transferred to _____ account

a) Contractor b) Contract **c) Profit and Loss** d) Not Transferred

98. The term reconcile refers to _____

a) Reconsider **b) Settle Differences** c) Record d) Reject

99. The costing profit will be lower than financial profit in _____

a) Over Absorption b) Under Absorption c) Equal Absorption

d) None of the cases

100. Financial Income includes _____

a) Donation b) Goodwill **c) Profit on sale of assets** d) All of the above

K2 Level

1. Decode the meaning of Costing.

Costing is the classifying, recording and appropriate allocation of expenditure for the determination of the costs of products or services.

2. Describe the term Cost Accounting.

Cost accounting is the process of recording, classifying, analyzing, summarizing, and allocating costs associated with a process, and then developing various courses of action to control the costs.

3. Review the concept of Cost.

Nominal cost and Real cost, Explicit and Implicit costs, Accounting costs and Economic costs, Opportunity cost, Business cost and Full cost.

4. Discriminate between Direct and Indirect Expenses.

A cost that is easily attributable to a cost object is known as direct cost. Indirect cost is defined as the cost that cannot be allocated to a particular cost object.

5. Infer the notion of Prime Cost.

A prime cost is the part of the cost of a commodity that changes according to the amount of it that is produced, such as materials and labour.

6. Indicate about the concept of Factory Cost.

Factory cost refers to the total cost required to manufacturing goods. This is the cost of those materials directly associated with the construction of goods.

7. Review on Cost of Production.

Cost of production is the total price paid for resources used to manufacture a product or create a service to sell to consumers including raw materials, labour and overhead.

8. Generalise the term Work-in-Progress.

Work in progress refers to partially completed goods that are still in the production process. These items do not include raw materials or finished goods.

9. Predict the Cost of Sales.

Cost of sales is often a line shown on a manufacturer's or retailer's income statement instead of cost goods sold. The cost of sales does not include selling, general and administrative expenses or interest expenses.

10. Discuss on Materials Consumed.

Material consumed means the raw material used for production of any goods. The goods produced have three elements of cost (Cost of raw material, cost of labour, factory overheads).

11. Describe the term Material Control.

The term material control means systematic control over purchasing, storing and consumption of materials. Material control helps to reduce the losses and wastage of materials by maintaining their efficient purchase, storage and use or consumption in the factory.

12. Enumerate on Economic Order Quantity.

Economic ordering quantity is the ideal order quantity a company should purchase for its inventory given a set cost of production, a certain demand rate and other variables.

13. Examine Re-Order Level.

The reorder level should result in replenishment inventory arriving just as the existing inventory quantity has declined to zero. To calculate the reorder level, multiply the average daily usage rate by the lead time in days for an inventory item.

14. Predict the Minimum Stock Level.

The minimum stock level is stock limits for the customer location product that the customer agrees upon with the supplier. The projected stock must not fall below the minimum stock level.

15. State the Maximum Stock Level.

The maximum stock level is a not-to-exceed amount used for inventory planning. This stock level is based on a calculation of the cost of storage, standard order quantities and the risk inventory becoming obsolete or spoiling with the passage of time.

16. Review on the Average Stock Level.

Average stock level is the average quantity of stock for a given time of period.
Average stock level = Minimum level + $\frac{1}{2}$ (Re-order quantity).

17. Define Danger Level.

Danger level is a level of fixed usually below the minimum level. When the stock reaches danger level, an urgent action for purchase is initiated.

18. Describe the Base Stock Method.

Base stock method is a valuation technique for the inventory asset, where the minimum amount of inventory needed to maintain operations is recorded at its acquisition cost.

19. Extend the term LIFO.

Last In First Out method of inventory accounting whereby the most recent purchases are first charged to cost of goods sold.

20. Clarify about the Inflated Price Method.

Inflated price method is a method of inventory valuation where in material loss due to climatic or natural factors.

21. Reproduce the idea on Labour Turnover.

Labour turnover refers to the rate at which employees leave employment. Labour turn over can be evaluated by relating the number of employees leaving their employment during a period of time to the total or average numbers employed in that period.

22. Enumerate on the Piece Rate System.

Piece rate system is the method of remunerating the workers according to the number of unit produced or job completed.

23. Defend on the Time Wage System.

Time is made a basis for determining wages of worker. Under this system, the wages are paid according to the time spent by workers irrespective of his output of work done. The wage rates are fixed for an hour, a day, a week, a month or even a year.

24. Express the Merrick's Piece Rate System.

The Merrick differential piece rate system is a modification of Taylor's differential piece rate system in which three piece –rates are used to distinguish between the beginners, the average workers.

25. Explain about Halsey Premium Plan.

Under Halsey plan the standard time for the completion of a job is fixed and the rate per hour is then determined. If the time taken by a worker is more than the standard time, then he shall be paid according to the time rate.

26. Quote on the term Indirect Cost.

Indirect costs are costs that are not directly accountable to a cost object. Indirect cost may be either fixed or variable.

27. Examine on the perception about Machine Hour Rate.

Machine hour rate is the cost of running a machine per hour. It is one of the methods of absorbing factory expenses to production.

28. State the term Apportionment.

Apportionment is one of the most important functions of the decennial census. It is used to assign the business income among the states.

29. Infer about Allocation.

Cost allocation is the process of identifying, aggregating, and assigning costs to cost objects. A cost object is any activity or item for which you want to separately measure costs.

30. Define Labour Cost.

Labour cost represents human contribution. Labour cost is sensitive in nature. The reason is that the labour cost is fully based on the human behaviour.

31. Describe Process Costing.

Process costing is a term used in cost accounting to describe one method for collecting and assigning manufacturing costs to the units produced.

32. Discuss on Normal Process Loss.

The loss expected or anticipated prior to production is a normal process loss. It is also called as standard loss.

33. Clarify about the Abnormal Process Loss.

Abnormal loss means that loss which is caused by unexpected or abnormal conditions such as accident, machine breakdown, etc.

34. Define Abnormal Gain.

The actual loss of a process is less than that of expected loss then the difference between the two will be treated as abnormal gain.

35. Report on the Elements of Cost.

The elements that constitute the cost of manufacture are known as the elements of cost. Such element of cost is divided into three categories. They are material, labour and expenses.

36. Label the Inter Process Profit.

The profit associated with the transfer of goods from one process to another process is called inter-process profit.

37. Decode the term Job Costing.

Job costing is accounting which tracks the costs and revenues by "Job" and enables standardized reporting of profitability by job.

38. Discriminate Job Costing Vs Process Costing.

Job costing involves the detailed accumulation of productions costs attributes to specific units or groups of units.

Process costing involves the accumulation of costs for lengthy production runs involving products that are indistinguishable from each other.

39. Describe Equivalent Production.

An equivalent unit of production is an indication of the amount of work done by manufacturers who have partially completed units on hand at the end of an accounting period.

40. Indicate the term Work-in-Progress.

Work in progress refers to materials that are turned into goods in a short time period.

41. Interpret the need for Reconciliation of Cost.

Management is enabling to know the reasons for the difference in results of both cost and financial accounts. It ensures the reliability of cost data.

42. State the need for Reconciliation of Financial Accounts.

Financial accounts reveal the reasons for difference in profit and loss between cost and financial accounts. To check the arithmetical accuracy of both sets of accounts as well as to detect errors and omissions committed in the accounts.

43. Define Job Costing.

Job costing is a method of recording the costs of a manufacturing job, rather than process.

44. Describe the term Contract Costing.

Contract costing is the tracking costs associated with a specific contract with a customer.

45. Decode on Fixed Price Contracts.

A fixed price contract is a type of contract where the payment amount does not depend on resources used or time expended.

46. Clarify about the Cost Plus Contracts.

A cost plus contract also termed as cost addition contract, is a contract where a contractor is paid for all of its allowed expenses, plus additional payment to allow for a profit.

47. Associate Job and Contract Costing.

Job costing is a system used for completion of specific customer orders where each unit produced is considered a job where as contract costing is referred to as a costing system applied work is undertaken according to special requirements of customers in a location specified by the customer.

48. State the prerequisites of Job Order Costing.

The job order cost system must capture and track by job the costs of producing each job, which includes materials, labour and overhead in a manufacturing environment.

49. Explain the concept behind Certificate of Work done.

Document certified by an architect or an engineer that a certain construction project has been completed in accordance with the terms, conditions and specification contained in a job contract.

50. Predict the Profit on Uncompleted Contract.

The work of contract which is completed but not certified by the engineers is called work uncertified. The uncertified contract never includes the portion of notional profit.

K3 Level

1. Analyze the scope of Cost Accounting.
2. State the meaning of cost accounting and examine its disadvantages.
3. List out the Advantages of cost accounting.
4. Discover the objectives of cost accounting.
5. Simplify the features of cost accounting.
6. Distinguish between cost and cost accounting.
7. Calculate Prime Cost.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Factory Expenses	10,000	Office Overhead	7,000
Selling Expenses	5,000	Direct Labour	15,000
Direct Material	20,000	Direct Expenses	3,000

8. Find out the amount of production overheads.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Office stationery	5,000	Indirect Materials	9,000
Factory lighting	10,000	Audit fees	13,000
Works Manager's Salary	22,000	Foreman's Salary	13,000

9. Compute Prime cost, Factory cost, Cost of production, Cost of sales and profit from the following details:

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Direct Materials	10,000	Administrative Expenses	1,000
Direct Labour	4,000	Selling Expenses	300
Direct Expenses	500	Sales	20,000
Factory Expenses	1,500		

10. Predict works cost from the following.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Materials	60,000	Work-in progress:	
Labour	40,000	Opening stock	10,000
Direct Expenses	10,000	Closing stock	8,000
Factory Overheads	50,000		

11. Calculate the economic order quantity (EOQ) from the following particulars.

Annual usage	6,000 units
Cost of material per unit	Rs. 20
Cost of placing and receiving one order	Rs. 60
Annual carrying cost of one unit	10% of inventory value

12. Find out the economic order quantity and the number of orders per year from the following information:

Monthly consumption	3,000 units
Cost per unit	Rs. 54
Order carrying cost	20% of average inventory

13. You are required to compute the economic ordering quantity and the frequency of orders in terms of days from the data given below.

Consumption of materials per annum	Rs. 8,000
Ordering cost per annum	Rs. 25
Storage and carrying cost per annum	10% of inventory value

14. In a company weekly minimum and maximum consumption of materials A are 25 and 75 units respectively. The reorders quantity as fixed by the company is 300 units. the material received within 4 to 6 weeks from issue of supply order. Calculate minimum level and maximum level of material A.

15. Material A is used as follows:

Maximum usage in a month	600 units
Minimum usage in a month	400 units
Average usage in a month	450 units
Reorder quantity	1500 units
Maximum reorder period for emergency purchases	One month
lead time - maximum 6 months minimum 2 months	

Prepare the (a) Reorder level (b) Minimum level (c) Maximum level (d) Average stock level and (e) Danger level.

16. X Ltd has purchased and issued the material in the following orders.

Jan 2015	1	Purchased	300 units at Rs.5 per units
	4	Purchased	600 units at Rs.4 per units
	6	Issued	500 units
	10	Purchased	700 units at Rs.5 per units

Predict the closing stock as 31-1-2015 under LIFO method

17. From the following particulars prepare the stores ledger under FIFO method

Dec 1	stock in hand	500 units at Rs.20
2	Issued	200 units
3	Purchased	150 units at Rs.22
4	Issued	100 units
5	Purchased	200 units at Rs.25

18. From the following practice at stores ledger by adopting LIFO method

DATE	RECEIPTS	ISSUE
2010 Jan 1	300 units at Rs.10 per unit	-
10	200 units at Rs.12 per unit	-
15	-	250 units
18	200 units at Rs.14 per unit	-
20	-	300 units
25	100 units at Rs.16 per unit	-
31	-	100 units

19. From the following particulars produce the stores ledger by adopting first in first out method.

2013 March	1	Purchased 300 units at Rs. 2 per unit
	2	Purchased 600 units at Rs. 3 per unit
	5	issued 400 units
	8	issued 200 units
	10	purchase 600 units at Rs. 5 per unit
	12	issued 400 units

20. The following information is exacted from the stores ledger.

Jan	1	opening balance 500 units at Rs 4
	5	purchase 200 units at Rs 4.25
	12	purchase 150 units at Rs 4.10
	20	purchase 300 units at Rs 4.50
	25	purchase 400 units at Rs 4

issue of material were as follows:

Jan	4	200 units
	10	400 units
	15	100 units
	19	100 units
	26	200 units
	30	250 units

Issues are to priced on the principle of FIFO method. Develop the store ledger accounts in respect of the materials for the month of January.

21. Calculate the earnings of workers A and B under Straight Piece-rate System and Taylor's Differential Piece-rate System from the following particulars:

Normal rate per hour = Rs. 1.80
Standard time per unit = 20 seconds
Differentials to be applied: 80% of piece rate below standard 120% of piece rate at or above standard

Worker A produces 1,300 units per day and worker B produces 1,500 units per day.

22. Compute the earnings of workers A, B and C under Straight piece rate system and Merrick's multiple piece rate system from the following particulars:

Normal rate per hour	Rs. 1.80
Standard time per unit	1 minute
Output per day is as follows:	
Worker A	384 units
Worker B	450 units
Worker C	552 units
Working hours per day	8 hours

23. Find out the total earnings of the worker under the Halsey Plan. Also find out effective rate of earning.

Rate per hour	Rs. 1.50 per hour
Time allowed for job	20 hours
Time taken	15 hours

24. A worker completes a job in a certain number of hours. The standard time allowed for the job is 10 hours, and the hourly rate of wages is Re.1. The worker earns at the 50% rate a bonus of Rs. 2 under Halsey plan. Assess his total wages under the Rowan Premium Plan.

25. Find out the earnings of workers A and B under Straight Piece rate system and Taylor's Differential Piece rate system from the following particulars:

Normal Rate per hour = Rs. 2.40
Standard time per unit = 30 Seconds
Differentials to be applied: 80% of piece rate below standard 120% of piece rate at or above standard
Worker A produces 800 units per day
Worker B produces 1,000 units per day.

26. On the basis of the following information, compute the earnings of A and B under Straight Piece rate system and Taylor's Differential Piece rate system:

Standard production = 8 units per hour
Normal time rate = Re.0.40 per hour
Differentials to be applied: 80% of piece rate below standard 120% of piece rate at or above standard

In a nine-hour day A produces 54 units and B produces 75 units.

27. From the following data, calculate total monthly remuneration of two workers A and B

under the Gant's Task and Bonus Scheme.

- i. Standard Production per month per worker is 1000 units.
- ii. Actual Production during the month: A – 850 Units, B – 1000 Units.
- iii. Piece Work Rate – 50 Paise per Unit.

28. Select what would be the basis to be followed to distribute the following overhead expenses to departments?

Store Service Expenses	Employees' State Insurance
Factory Rent	Municipal Rent, Rates & Taxes
Insurance on Building & Machinery	Welfare Department Expenses
Creche Expenses	Steam
Electric Light	Floor Area

29. The Modern Company is divided into four departments: P₁, P₂, P₃ are producing departments and S₁ is a service department. The actual costs for a period are as follows:

Rent	Rs. 1,000	Supervision	Rs. 1,500
Repairs to plant	Rs. 600	Fire insurance in respect of stock	Rs. 500
Depreciation of plant	Rs. 450	Power	Rs. 900
Employer's liability for insurance	Rs. 150	Light	Rs. 120

Following information is available in respect of the four departments:

	Dept. P ₁	Dept. P ₂	Dept. P ₃	Dept. S ₁
Area (sq. metres)	1,500	1,100	900	500
Number 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	-
H.P. of Plant	24	18	12	6

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

30. Schedule the bases of the following service departments expenses:

Maintenance Department	Store-keeping Department
Overhead Crane Service	Internal Transport Service
Canteen Department	Personnel Department
Power House	Hospital

31. A product passes through three distinct processes to completion. These processes are numbered respectively I, II, and III. During the week ended 15th January 2001, 500 units are produced the following information is obtained:

	Process I	Process II	Process III
	RS.	Rs.	Rs.
Direct materials	3,500	1,600	1,500
Direct labours	2,500	2,000	2,500

The overhead expenses for the period were Rs.1,400 appointed to the processes on the basis of wages. No work-in-progress or process stocks existed at the beginning or the end of the week. Prepare Process Accounts.

32. Bengal Chemical Co. Ltd. produced three chemicals during the month of July, 1998 by three consecutive processes. In each process 2% of the total weight put in is lost and

10% is scrap which from processes (1) and(2) realizes Rs.100 a ton and from process (3) Rs. 20 a ton.

The products of three processes are dealt with as follows:

	Process I	Process II	Process III
Passed on to the next process	75%	50%	-
Sent to warehouse for sale	25%	50%	100%

	Process I		Process II		Process III	
	RS.	Tons	Rs.	Tons	Rs.	Tons
Raw materials	1,20,000	1,000	28,000	140	1,07,840	1,348
Manufacturing wages	20,500	-	18,520	-	15,000	-
General expenses	10,300	-	7,240	-	3,100	-

Prepare process cost accounts showing the cost per ton of each product.

33. In process A 100 units of raw materials were introduced at a cost of rs.1,000. The other expenditure incurred by the process was Rs.602. of the units introduced 10% are normally lost in the course of manufacture and they process a scrap value of Rs.3 each the output of process A was only 75 units. Prepare process A account and abnormal loss account.
34. In process B, 75 units of a commodity were transferred from process A at a cost of Rs.1,310.The additional expenses incurred by the process were Rs.190.20% of the units entered are normally lost and sold @ Rs.4 per unit. The output of the process was 70 units. Prepare process account and abnormal gain account.
35. From the following details prepare statement of equivalent production, statement of cost statement of evaluation and process accounts by following average cost method.

Opening work –in- progress	(2000 units)
Materials (100% complete)	Rs.7,500
Labour (60% complete)	Rs.3,000
Overhead (60% complete)	Rs.1,500
Units introduced into the process	8,000

There are 2000 units in process , and the stage of completion is estimated to be:

Material	100%
Labour	50%
Overheads	50%

8,000 units are transferred to the next process. The process costs for the period are:

Material	1,00,000
Labour	78,000
Overheads	39,000

36. Neo pharma processes a product through three distinct stages the product of one process being passed on to the next process and so on to the finished product intact .

Details of the cost incurred in each process are given below:

	Process I	Process II	Process III
	RS.	Rs.	Rs.
Raw materials	1,150	1,050	700
Direct wages	500	600	700

The overhead expenses for the period amounted to Rs.3600 and are to be distributed to the processes on the basis of direct wages. There were no stocks in any of the processes either at the beginning or at the close of the period .

Assuming the output was 1,000 kilos show the processes cost of A,B and C indicating

also the cost per kilo of each element of cost and the output in each processes .

(b) If 10 percent of the output is lost in storage and giving samples, what should the Selling price per unit be to make a gross profit $33\frac{1}{3}\%$ on the selling price.

37. In the manufacturing unit, raw material passes through four processes I, II, III and IV and the output of each processes is the input of the subsequent process. The loss in the four processes I, II, III and IV are respectively 25%, 20%, 20% and $16\frac{2}{3}\%$ of the input . if the end product at the end of process IV is 40,000 kgs. What is the quantity of raw material required to be fed at the beginning of process I and the cost of the same at Rs 5 per kg. Find out also the effect of increase or decrease in the material cost of end product for variation of every Rupee in the cost of the raw material.
38. Fifty units are introduced in a process at Rs.50. The total additional expenditure incurred by the process is Rs.32. Of the units introduced 10 Per cent are normally spoiled in the course of manufacture ; these possess a scrap value of Re.0.20 each. Owing to an accident only 40 units are produced. You are required to –(I) prepare a process account, and (II) give journal entries to show how the loss arising out of spoiled units should be treated.
39. A batch of 600 units was introduced in a process at Rs.20 per units .500 units were completed and transferred to the finished goods stores. The normal process was 20% of the input, and the scrap is normally sold to a contractor at Rs.3 each. The labour and overhead expenditure, incurred in the process amounted to Rs.600. You are required to show the process and abnormal gain accounts.
40. 10,000 units of raw materials introduced into a process at a cost of ?Rs.20,000. Wages and overheads for the process are Rs.5,100 and rs.3,400 respectively, 7,500 units were completed; of the remaining 2,500 units on the average 40% work has been done in respect of labour and overheads. Prepare (I) statement of equivalent production, (II) statement of cost, (III) statement of evaluation, and (IV) process account.
41. You are required to assess, in each of the following cases, whether costing profit will be more or less than Financial Accounts Profit.

Particulars	As per Cost Accounts (Rs.)	As per Financial Accounts (Rs.)
a) Opening Stock of Raw Materials	40000	42000
b) Closing Stock of Raw Materials	45000	49000
c) Opening Stock of W.I.P	30000	28000
d) Closing Stock of W.I.P	32000	36000
e) Opening Stock of Finished Goods	60000	68000
f) Closing Stock of Finished Goods	48000	44000

42. Prepare a Reconciliation Statement from the following details:

Particulars	Amount (Rs.)
Net loss as per cost accounts	344800
Net loss as per financial accounts	432890
Works overhead under recovered in costing	6240
Depreciation overcharged in costing	2600
Interest on investments	17500
Administrative overhead over recovered in costing	2600
Good will written off	92000
Stores adjustment in financial books (cr)	950
Depreciation of stock charged in financial books	13500

43. Find the profit as per cost accounts from the details given below:

Particulars	Amount (Rs.)
Profit as per Financial Accounts	35000
Dividends received on Investments	5200
Loss on sale of Buildings	4000

44. The following data is available in respect of Job No. 876:

Direct Materials : Rs. 17000, Wages : Rs. 160 hours at Rs. 50 per hour. Variable overheads incurred for all jobs Rs. 80000 for 2000 labour hours. Fixed overheads are absorbed at Rs. 20 per hour. Interpret the profit or loss from the job is billed for Rs. 40000.

45. From the following information construct Job No. 236 account in the Job Cost Ledger:

Particulars	Amount (Rs.)
Direct Materials Purchased	3600
Direct Materials received from stores	25200
Direct Wages	14400
Other Expenses	1500

The works overheads are to be taken at 75% of wages and administrative overheads at 25% of works cost. The contract price of Job No. 236 which is completed is fixed as Rs.82500.

46. From the following details, compute the overhead rate to be charged on the basis of the direct labour rate to Job No 707 and determine the total cost and selling price:

Particulars	Value
Material Used	Rs. 4000
Direct Wages	Rs. 3000
Direct Labour Hours	700 hours
Estimated factory overheads for the year	Rs. 105000
Estimated labour hours for the year	210000
Gross profit ratio on sales	25%

47. Mercy & Co., undertook a contract for construction of a private house. Contract price was Rs.4000000. The following were the details:

Particulars	Amount (Rs.)	Amount (Rs.)
Materials sent to contract site		1600000
Labour: Skilled	600000	1000000
Unskilled	400000	
Subcontracts for plumbing and Electricity		400000
Sundry Expenses		200000
Closing stock of materials at site		100000

Prepare contract account and determine the profit or loss.

48. Computer the profit that can be reasonably credited to P & L A/c from the following details:

Particulars	Amount (Rs.)
Notional Profit	79000
Cash Received	330000
Work Certified	400000
Contract Price	600000

49. Predict the amount of profit taken to P & L A/c:

Particulars	Amount (Rs.)
Notional Profit	60000
Work Certified	800000
80 % of work certified is paid in cash	
Contract Price	1000000

50. Prepare a Contract Account:

Particulars	Amount (Rs.)
Material	336000
Wages	340000
Plant Purchased	60000
Work Certified	750000
Material at Site	40000

K4 & K5 Level

1. Distinguish between cost and management accounting.
2. Discriminate briefly Costing as an aid to management.
3. Following information has been obtained from the records of a manufacturing company:

	1-1-2015 Rs.	31-12-2015 Rs.
Stock of Raw materials	40,000	50,000
Stock of Finished goods	1,00,000	1,50,000
Stock of Work-in-Progress	10,000	14,000

Particulars	Amount	Particulars	Amount
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	(Rs.)		(Rs.)
Indirect Labour	50,000	Administration Expenses	1,00,000
Lubricants	10,000	Power	30,000
Insurance on plant	3,000	Direct labour	3,00,000
Purchase of raw materials	4,00,000	Depreciation on Machinery	50,000
Sale commission	60,000	Factory rent	60,000
Salaries of salesman	1,00,000	Property tax on factory building	11,000
Carriage outward	20,000	Sales	12,00,000

Prepare a statement of cost and profit showing (a) Cost of Raw materials Consumed (b) Prime cost (c) Total manufacturing cost (d) Factory manufacturing cost (e) Cost of production (f) Cost of goods sold (g) Cost of sales (h) Profit.

4. Following information has been obtained from the record of left centre corporation for the period from January 1 to June 30, 2010.

	2010 On January 1 Rs.	2010 on June 30 Rs.
Cost of raw material	30,000	25,000
Cost of work-in-progress	12,000	15,000
Cost of stock of finished goods	55,000	60,000

Transactions during 6 months are:

Purchase of raw materials	4,50,000	Administration overheads	30, 000
Wages paid	2,30,000	Selling and distribution overheads	20, 000
Factory overheads	92,000	Sales	9, 00, 000

Prepare the Cost sheet showing (a) materials consumed (b) prime cost (c) factory cost incurred and factory cost and Income statement in traditional form for the six months showing gross profit and net profit.

5. From the following the particulars, prepare a cost statement showing the component of

total cost and profit for the year ended 31-12-2009.

	2009 On January 1 Rs.	2009 on Dec 31 Rs.
Stock of raw materials	80,000	1,00,000
Work-in-progress	30,000	20,000
Stock of finished goods	12,000	30,000

	Rs.		Rs.
Purchase of raw materials	9,50,000	Generals expenses	65,000
Carriage inward	25,000	Sales for the year	17,20,000
Wages	3,50,000	Income-tax	5,500
Works manager's salary	60,000	Dividend	1,000
Factory employees sales	1,20,000	Debentures interest	5,000
Factory rent, taxes and insurances	14,000	Goodwill	10,000
Power expenses	19,000	Payment sales tax	10,000
Other production expenses	85,000		

6. Two company A and B are used as follows:

Reordering quantity	A 1200 units
	B 1000 units
Reordering period	A 2 to 4 weeks
	B 3 to 6 weeks
Normal usage	300 units per week each
Minimum usage	150 units per week each
Maximum usage	450 units per week each

You are required to calculate the following for each of the components

a) Reordering level b) Maximum level c) Average stock d) Minimum level

7. From the particulars given below prepare the stores ledger account.

2007 Jan 1	Opening stock	1000 units at Rs 26 each
5	Purchase	500 units at Rs 24.50 each
7	Issued	750 units
10	Purchased	1500 units at Rs 24 each
12	Issued	1100 units
15	Purchased	1000 units at Rs 25 each
17	Issued	500 units
25	Purchased	300 units
29	Issued	1500 units

Adopt FIFO method of issue and determine the value of the closing stock.

8. A factory consumes 60 units of materials per day which is supplied by a vendor in lots of 240 units each at Rs 2400 per lot. The factory works for 300 days per annum. Each order involves handling charges of Rs. 120 and freight charges of Rs.380 the storage cost is Rs.0.50 per unit annum .The interest cost to carry inventory works out 1.25% per month.

You are required to identify a) No of units to be ordered each time to minimize the overall inventory cost b) The frequency of placing orders.

9. Following transactions took place in respect of an item of material.

	Receipts Quantity	Rate Rs.	Issue Quantity
2-9-2015	200	2.00	-
10-9-2015	300	2.40	-
15-9-2015	-	-	250
18-9-2015	250	2.60	-
20-9-2015	-	-	200

Assemble the above transactions in the Stores Ledger, Pricing the issues at:

- a. First In First Out and b. Last In First Out method.

10. Following transactions took place in respect of an item of material

	Receipts Quantity	Rate Rs.	Issue Quantity
2-9-2015	200	2.00	-
10-9-2015	300	2.40	-
15-9-2015	-	-	250
18-9-2015	250	2.60	-
20-9-2015	-	-	200

Arrange the above transactions in the Stores Ledger, Pricing the issues at:

- a. Simple average rate and b. Weighted average rate.

11. Calculate the earnings of the workers on the basis of Merrick's differential piece rate system from the following particulars:

Piece rate	= 10 paise per unit
Standard production	= 120 units
Production of workers:	
X= 90 units	Y= 100 units Z=130 units
Basic piece rate is guaranteed up to 83% of the standard production	
Workers get premium above 83% as follows:	
	83% to 100% - 110% of ordinary piece rate
	Over 100% - 120% of ordinary piece rate

12. From the following particulars determine the earnings for the week of a worker under:

- a. Straight Piece Rate b. Differential Piece Rate c. Halsey Premium Plan
d. Rowan Plan

Number of working hours per week	48 hours
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 for the week	150 pieces
Differential piece rate:	
	80% of piece rate when output is below standard
	120% of piece rate when above standard

13. A company has three production departments and two service departments, and for a

period the departmental distribution summary has the following totals:

	Production Departments	Service Departments
P ₁	Rs. 800	-
P ₂	Rs. 700	-
P ₃	Rs. 500	-
S ₁	-	Rs. 234
S ₂	-	Rs. 300
Total	Rs. 2000	Rs. 534

The expenses of the service departments are charged out on a percentage basis as follows:

	P₁	P₂	P₃	S₁	S₂
Service Department S ₁	20%	40%	30%	-	10%
Service Department S ₂	40%	20%	20%	20%	-

Prepare a statement showing the apportionment of two service departments expenses to production departments by Simultaneous Equation Method.

14. In a factory, there are three production departments P₁, P₂, P₃ and one service department S₁. Following figures are available for one month of 25 working days of 8 hours each day. All departments work all these days with full attendance:

Expenses	Total Rs.	Service Dept. S₁ Rs.	Prod. Dept. P₁ Rs.	Prod. Dept. P₂ Rs.	Prod. Dept. P₃ Rs.
Power and Lighting	1,100	240	200	300	360
Supervisor's Salary	2,000	-	-	-	-
Rent	500	-	-	-	-
Welfare	600	-	-	-	-
Others	1,200	200	200	400	400
Total	5,400				
Supervisor's Salary		20%	30%	30%	20%
Number of Workers		10	30	40	20
Floor Area in Sq. Metres		500	600	800	600
Service rendered by Service Dept. to Production Depts.		-	50%	30%	20%

Calculate labour hour rate for each of the Depts. P₁, P₂ and P₃.

- . 15. A manufacturing company has four production departments and six service departments.

From the following information briefly appraise the service departments' overheads to production departments only.

Production Departments:

Departments	Rs.
P1	30,000
P2	30,000
P3	24,000
P4	16,000

Service Departments:

Departments	Rs
S1 (Power)	18,000
S2 (Purchasing Dept)	15,000
S3 (Stores Dept)	12,000
S4 (Canteen)	9,000
S5 (Labour Welfare)	6,000
S6 (Time Keeping)	4,500

Additional Information:	P1	P2	P3	P4
Horse Power of Machine	600	600	300	300
Value of Materials Purchased (in Lakhs)	5	4	4	2
Number of Stores Requisitions	4	3	3	2
Number of Workers	18	16	14	12

16. A product passes through three distinct processes to completion. These processes are numbered respectively I, II and III. During the week ended 15th January 2012, 500 units are produced. The following information is obtained:

Particulars	Process I (Rs.)	Process II (Rs.)	Process III (Rs.)
Direct Materials	3500	1600	1500
Direct Labour	2500	2000	2500

The overhead expenses for the period were Rs. 1400 apportioned to the processes on the basis of wages. No work-in-progress or process stocks existed at the beginning or at the end of the week. Prepare process accounts.

17. The following data are available pertaining to a product after passing through two processes A and B:

Output transferred to process C from process B 9120 units for Rs. 49,263.

Expenses Incurred in Process C:

Sundry Materials: Rs.1480

Direct Labour: Rs.6500

Direct Expenses: Rs.1605

The wastage of process C is sold at Re.1.00 per unit. The overhead charges were 168% of direct labour. The final product was sold at Rs.10.00 per unit fetching a profit of 20% on sales. Validate the percentage of wastage in process C and prepare process C Account.

18. A certain product passes through three processes before it is completed. The output of each process is charged to the next process at a price calculated to give a profit of 20% on transfer price (I.E.25% on cost price).the output of process III is charged to finish stock account on a similar basis. There was no work-in-progress at the beginning of the year and overheads have been ignored. Stock in each process has been valued at crime cost of the process. The following data are obtained at the end of 31st march 2001.

Particulars	Process I (Rs.)	Process II (Rs.)	Process III (Rs.)	Finished stock (Rs.)
Direct Materials	4000	6000	2000	-
Direct wages	6000	4000	8000	-
Stock on 31 st March	2000	4000	6000	3000
Sales during the year	-	-	-	36000

From the above information prepare (a) process cost accounts showing the profit elements at stage rate (b) Actual realized profits and (c) Stock valuation as would appear in the balance sheet.

19. A product is completed in three consecutive processes. During a particular month the input to process I of the basic raw material was 5,000 units at Rs.2 per unit other information for the month was as follows:

Particulars	Process I (Rs.)	Process II (Rs.)	Process III (Rs.)
Output (Units)	4700	4300	4050
Normal loss as % of input	5	10	5
Scrap value per unit (Rs.)	1	5	6
Direct wages (Rs.)	3,000	5,000	8,000
Direct expenses (Rs.)	9,750	9,910	15,560

Overhead Rs.32, 000 total chargeable as percentage of direct wages. There were no opening or closing work-in-progress stocks. Compile three process accounts and finished stock account with details of abnormal loss and gain, where applicable.

20. The information below is extracted from the cost accounts of a factory producing a commodity in the manufacture of which three processes are involved. Prepare process cost account showing the cost of the output and the cost per unit at each stage of manufacture.

(a) The operation in each separate process are completed daily

(b) the value at each units are to be charged to process B and C is the cost per unit of process A and A plus B respectively.

Particulars	Process A	Process B	Process C
Production - gross (Units)	37000	-	-
Wastage (Units)	1000	1500	500
Opening stock of raw materials (Units)	-	4000	16500
Closing stock of raw materials (Units)	-	1000	5500
Raw materials consumed (Rs.)	2400	-	-
Factory overheads (Rs.)	200	225	240
Direct wages (Rs.)	640	1200	2925
Machine expenses (Rs.)	360	300	360

21. Modern Printers undertook two jobs during the 1st week of June 2017. The following are the details that are available:

Particulars	Job 110 (Rs.)	Job 120 (Rs.)
Materials Supplied	4000	2000
Wages Paid	900	600
Direct Expenses	200	100
Material transfer from Job 120 to 110	200	200
Material returned to stores	-	100

Analysis the cost of each job and profit or loss if any, assuming that job 120 is completed and invoiced to the customer at Rs.3000.

22. The following data are from the costing records of Sai Industries Ltd., in respect of Job No. 76:

Wages:
Cutting Department 20 hours at Rs.50 per hour
Shearing Department 10 hours at Rs.40 per hour
Boring Department 5 hours at Rs.60 per hour
Variable Overheads:
Cutting Department Rs. 40000 for 2000 Direct labour hours
Shearing Department Rs. 20000 for 2500 Direct labour hours
Boring Department Rs. 10000 for 400 Direct labour hours

Fixed overheads are estimated at Rs. 100000 for 20000 normal working hours. You are required to establish the cost of job No. 76 and calculate the price to be charged so as to give a profit of 20% on cost.

23. Categorize the Contract No.303 account in the contract ledger of Sree & Co., from the following details:

Particulars	Amount (Rs.)
Direct Materials	16200
Wages	10800
Special Plant	8000
Stores issued	2880
Loose tools	1500
Tractor expenses	3420
Contract price	40000

The contract was completed in 20 weeks. The special plant was returned subject to depreciation at 20% on original cost. The value of loose tools and stores returned were Rs.1000 and Rs.400 respectively. The book value of the tractor used for the contract was Rs.19500 and depreciation to be charged to this contract is at 20% per annum on the book value. Provide 7% for administrative expenses on works cost.

24. From the following figures prepare a reconciliation statement between cost and financial records:

Particulars	Amount (Rs.)
Net profit as per financial records	128755
Net profit as per costing records	172400
Works overhead under-recovered in costing	3120
Administrative overhead recovered in excess	1700
Depreciation charged in financial records	11200
Depreciation recovered in costing	12500
Interest received but not included in costing	8000
Obsolescence loss charged in financial records	5700
Income tax provided in financial books	40300
Bank interest credited in financial books	750
Stores adjustment (Credit in financial books)	475
Depreciation of stock charged in financial books	6750

25. Prepare memorandum reconciliation account from the following data:

Particulars	Amount (Rs.)
Net profit as per financial records	63780
Net profit as per costing records	66760
Factory overhead under-recovered in costing	5700
Administrative overhead recovered in excess	4250
Depreciation charged in financial records	3660
Depreciation recovered in costing	3950
Interest received but not included in costing	450
Income tax provided in financial books	600
Bank interest credited in financial books	230
Stores adjustment (Credit in financial books)	420
Depreciation of stock charged in financial books	860
Dividend appropriated in financial accounts	1200
Loss due to pilferage provided only in financial books	260

