

UNIT I

1. _____ is the primary objective of cost accounting.

A. Cost ascertainment

B. financial audit

C. profit analysis.

D. tax compliance

2. Overhead cost is the total of -----.

A. all indirect costs

B. all direct costs

C. indirect and direct costs.

D. all specific costs.

3. Cost accounting refers to the techniques and processes of-----.

A. allocation of costs

B. ascertainment of costs

C. distribution of cost

D. apportion of cost

4. Wages paid to a labour who was engaged in production activities can be termed as-----.

A. direct cost

B. indirect cost

C. sunk cost

D. imputed cost.

5. Elements of costs are-----.

A. four types

B. three types

C. five types

D. seven types

6. Direct expenses are also called-----.

A. major expenses

B. Chargeable expenses

C. overhead expenses

D. sundry expenses

7. Indirect material used in production is classified as-----.

A. office overhead

B. selling overhead

C. distribution overhead

D. production overhead

8. Warehouse rent is a part of -----.

- A. prime cost
- B. factory cost
- C. distribution cost**
- D. production cost

9. Indirect material scrap is adjusted along with -----.

- A. prime cost
- B. factory cost**
- C. labour cost
- D. cost of goods sold

10. 16. Which one of the following is not considered for preparation of cost sheet?

- A. Factory cost
- B. goodwill written off**
- C. labour cost.
- D. Selling cost .

11. Cost of sales plus profit is-----.

- A. selling price**
- B. value of finished product.
- C. value of goods produced
- D. value of stocks.

12. Total of all direct costs is named as-----.

- A. work cost
- B. cost of goods sold
- C. prime cost**
- D. cost of production.

13. Audit fees is a part of-----.

- A. works on cost
- B. selling overhead
- C. distribution overhead
- D. administration overhead.**

14 . Cost accounting is based on figures

- A. Estimated**
- B. Historical
- C. Actual
- D. None of these

15. The scope of cost accounting includes _____.

- A. cost ascertainment.
- B. cost preservation.
- C. cost control.
- D. all the above.**

16.. helps in ascertaining costs before hand

A. Financial accounting

B. Cost accounting

C. Management accounting

D. None of these

17. Cost accounting provides data for managerial

A. Decision making

B. Recruitment

C. Retrenchment

D. None of the above

18. Cost accounting records both monetary and units

A. Physical

B. Cost

C. Both a & b

D. None of these

19. The factory overheads consist of_____.

A. all expenses related to factory.

B. all direct expenses related to factory.

C. all indirect expenses related to factory.

D. none of the above.

20. The showroom rent comes under_____ overheads.

A. factory overhead.

B. office overhead.

C. selling & distribution overhead.

D. none of the above

UNIT-II

MATERIAL CONTROL

1. Which of the following is considered as normal loss of material -----

a) Pilferage

b) Loss due to accident

c) Loss due to careless handling of material

d) None of these.

2. The most important element of cost is-----

a) Material

- b) Labour
 - c) Overheads
 - d) All of these
3. Direct material is a -----
- a) Administration Cost
 - b) Selling and Distribution cost
 - c) All of these
 - d) None of these**
4. Continuous stock taking is a part of-----
- a) ABC analysis
 - b) Annual stock taking
 - c) Perpetual Inventory**
 - d) None of these
5. Which of the following is considered as accounting record -----
- a) Bin Card
 - b) Bill of material
 - c) Store Ledger**
 - d) None of these
6. Store Ledger is kept and maintained in the -----
- a) Cost accounting department**
 - b) Personnel department
 - c) Service department
 - d) Production department
7. Goods Received Note is prepared by the -----
- a) Purchasing department
 - b) Receiving department**
 - c) Personnel department
 - d) .Material department
8. Transfer of surplus material from one job or work order is recorded in means-----
- a) Received transfer note

b) Both

c) **Material Transfer note**

d) None of these

9. There is discount allowed to the bulk purchaser in is called-----

a) **Quantity discount**

b) Quality discount

c) Purchases discount

d) Sales discount

10. There is a document which records the return of unused materials means-----

a) ABC analysis

b) Received return note

c) VED analysis

d) **Material return Note**

11. -----used primarily for control of spare parts.

a) **VED analysis.**

b) ABC analysis

c) Danger level

d) Bin card

12. Unavoidable residue material is called-----

a) VED analysis.

b) ABC analysis

c) **FSN analysis**

d) Bin card

13. Tender form is issued by the -----

a) Sales department

b) **purchases department**

c) Personnel department

d) Services department

14. Bin card maintains the record of -----

a) Storage

b) **Quantities**

- c) Qualities
- d) Storekeeper

15. The form of incidental material residue is called-----

a) Scarp

- b) Waste
- c) Spoilage
- d) None of these

16. Materials issued are valued at average price is called-----

- a) Weighted Average Price Method
- b) Moving Simple Average Price Method
- c) Replacement method
- d) Simple Average Price Method**

17. The system of records maintained by the controlling department is known as-----

- a) Inventory system
- b) Ledger records
- c) Perpetual Inventory System**
- d) Stores Records

18. The cost of capital invested in inventories is called as -----

- a) Carrying cost**
- b) Ordering cost
- c) Purchases cost

19. The significant constituent of the total cost of any product is known as -----

- a) Carrying cost
- b) Ordering cost
- c) Sale cost

d) Material cost

20. Budgetary control of purchases is called -----

- a) Inventory control system
- b) Purchases control system
- c) Received control system
- d) Material Control System**

III UNIT

LABOUR

1. In which of the following incentive plan of payment, wages on time basis are not guaranteed?
 - a. Halsey plan
 - b. Rowan plan
 - c. Taylor's differential piece rate system**
 - d. Gantt's task and bonus system
2. Under the high wage plan, a worker is paid
 - a. At a time rate higher than the usual rate**
 - b. According to his efficiency
 - c. At a double rate for overtime
 - d. Normal wages plus bonus
3. Cost of idle time arising due to non availability of raw material is
 - a. Charged to costing profit and loss A/c**
 - b. Charged to factory overheads
 - c. Recovered by inflating the wage rate
 - d. Ignored
4. When overtime is required for meeting urgent orders, overtime premium should be
 - a. Charged to costing profit and loss A/c
 - b. Charged to overhead costs**
 - c. Charged to respective jobs
 - d. Ignored
5. Wages sheet is prepared by
 - a. Time –keeping department
 - b. Personnel department
 - c. Payroll department**
 - d. Engineering department
6. Time and motion study is conducted by the
 - a. Time –keeping department

- b. Personnel department
 - c. Payroll department
 - d. **Engineering department**
7. Labour turnover is measured by
- a. **Number of workers replaced average number of workers**
 - b. Number of workers left / number in the beginning plus number at the end
 - c. Number of workers joining / number in the beginning of the period
 - d. All of these
8. Idle time is
- a. Time spent by workers in factory
 - b. Time spent by workers in office
 - c. **Time spent by workers off their work**
 - d. Time spent by workers on their job
9. Over time is
- a. **Actual hours being more than normal time**
 - b. Actual hours being more than standard time
 - c. Standard hours being more than actual hours
 - d. Actual hours being less than standard time
10. Time keeping refers to
- a. Time spent by workers on their job
 - b. **Time spent by workers in factory**
 - c. Time spent by workers without work
 - d. Time spent by workers on their job
11. Wages sheet is prepared by
- a. Engineering department
 - b. Time –keeping department
 - c. Personnel department
 - d. Pay Roll Department
12. Ideal time arises only when workers are paid on _____ basis.
- a. Day
 - b. Rate

c. **Time**

d. Wage

13. The means for measurement of labour turnover

Flux method

a. Flexible method

b. Both

c. None of these

14. The two piece rates are set for each job

a. Rowan plan

b. Halsey plan

c. Taylor's differential piece rate

d. Gaylor's differential piece rate

15. The basic of wages payment is the quantity of work.

a. Piece rate

b. Time

c. Salary

d. None of these

16. Taylor's system and is comparatively less harsh on the workers

a. Merrick Differential Piece Rate System

b. Gaylor's differential piece rate

c. Straight Piece Rate

d. Graduated Time Rate

17. Budget and budgetary control are effective tools for cost control and cost reduction.

a. Labour Standards

b. Labour Budget

c. Labour Performance Report

d. Production Planning

18. This department cannot be over emphasised

a. Time Keeping Department

b. Personnel department

c. Payroll department

- d. Engineering department
19. Labour cost is a
- a. First major
 - b. Second major**
 - c. Third major
 - d. Five major
20. The additions nor the separations are taken into consideration
- a. Additions Method
 - b. Separation Method
 - c. Replacement Method**
 - d. Flux Method

OVER HEADS

UNIT-IV

1. The allotment of whole items of cost of centres or cost unit is called
- a. Cost allocation**
 - b. Cost apportionment
 - c. Overhead absorption
 - d. None of the above
2. Packing cost is a
- a. Production of cost
 - b. Selling cost
 - c. Distribution cost
 - D It may be any or the above**
3. Directors remuneration and expenses form a part of
- a. Production overhead
 - b. Administration overhead**
 - c. Selling overhead
 - d. Distribution overhead

4. Charging to a cost center those overheads that result solely for the existence of that cost Center is known as

a. Allocation

b. Apportionment

c. Absorption

d. Allotment

5. Absorption means

a. Charging or overheads to cost centers

b. Charging or overheads to cost units

c. Charging or overheads to cost centers or cost units

d. None of these

UNIT V

6. Which method of absorption of factory overheads do you suggest in a concern which Produces only one uniform time of product

- a. Percentage of direct wages basis
- b. Direct labour rate
- c. Machine hour rate

d. A rate per units of output

7. When the amount of under-or-over-absorption is significant, it should be disposed of by

- a. . Transferring to costing profit and loss A/c

b. The use of supplementary rates

- c. Carrying over as a deferred charge to the next accounting year
- d. . None of above

8. When the amount of overhead absorbed is less than the amount of overhead incurred, It is called

a. Under- absorption of overhead

- b. Over-absorption of overhead
- c. Proper absorption of overhead
- d. All of the above

9. Warehouse expense is an example of

- a. Production overhead
- b. Selling overhead

c. Distribution overhead

- d. None of above

10. Selling and Distribution overhead are absorbed on the basis of

- a. Rate per unit
- b. Percentage on works cost
- c. Percentage on selling price of each unit

d. Any of these

11. In Absorption Costing which is added to inventory

a. Fixed cost

- b. Variable cost
- c. Indirect cost

d. Direct cost

12. Administration overheads are usually absorbed as a percentage of

a. Fixed cost

b. Work cost

c. Indirect cost

d. Direct cost

13. The difference between actual and absorbed factory overhead is called

a. Under or over un absorbed overheads

b. under or over absorbed overheads

c. Under absorption overhead

d. All the above

14. The difference between practical capacity and the capacity based on sales expectancy is known as

a. Idle time

b. Idle work

c. Idle capacity

d. None of these

15. The term used for charging of overheads to cost units is known as

a. Absorptions

b. Allotment

c. Apportionment

d. Allocation

16. Under or over absorption of overheads arises only when overheads are absorbed by

a. Determined absorption

b. Determined overheads rates

c. predetermined overheads rates

d. Predetermined absorption rates

17. Departments that assist producing Department indirectly are called

a. Service departments

b. Production departments

c. Personnel departments

d. Selling departments

18. overhead cost applied to a job is usually based on a per-determined rate.

a. Administration overhead

b. Distribution overhead

c. Selling overhead

d. Factory overhead.

19. This is continued till the figures of service departments become 'nil' or 'negligible'.

a. Analysis Method

b. Reciprocal Service Method

c. Repeated Distribution Method

d. Step Distribution Method

20. This difference arises only due to variable costs.

a. High and Low Method

b. Simultaneous Equations

c. Graphical Method

d. Least Square Method

UNIT V

1. Process costing is suitable for-----.

A. hospitals

B. oil refining firms

C. transport firms.

D. brick laying firms.

2. When actual loss is more than the estimated loss, the difference is known as _____

A. Normal loss

B. Abnormal loss

C. Normal gain

D. Abnormal gain

3. When actual loss is less than the estimated loss, the difference is known as _____

A. Normal loss

B. Abnormal loss

C. Normal gain

D. Abnormal gain

4. When actual loss is _____ than the estimated loss, the difference is known as Abnormal gain

- A. less**
- B. more
- C. equal
- D. double

5. When actual loss is _____ than the estimated loss, the difference is known as Abnormal loss

- A. less
- B. more**
- C. equal
- D. double

6. _____ is unavoidable.

- A. Normal loss**
- B. Abnormal loss
- C. Normal gain
- D. Abnormal gain

7. The difference between units entered and normal loss is known as _____

- A. Normal output**
- B. Abnormal loss
- C. Normal gain
- D. Abnormal gain

8. Formula for calculating abnormal gain _____

- A. Normal Cost of Normal Output / Normal Output X Units of Abnormal Gain**
- B. Normal Cost of Normal Output / Normal Output
- C. Normal Output X Units of Abnormal Gain
- D. Abnormal gain / Normal Cost of Normal Output

9. Formula for calculating abnormal loss _____

- A. Normal Cost of Normal Output / Normal Output X Units of Abnormal loss**
- B. Normal Cost of Normal Output / Normal Output
- C. Normal Output X Units of Abnormal loss
- D. Abnormal loss / Normal Cost of Normal Output

10. The difference between actual loss and normal loss is _____

- A. Normal output
- B. Abnormal loss**
- C. Normal gain
- D. Abnormal gain

11. Expand NCNO

A.Normal Cost of Normal Output

B.Normal loss of Normal Output

C.Normal Gain of Normal Output

D.Normal profit of Normal Output

12.plant break down is an example for _____

A.Normal output

B.Abnormal loss

C.Normal gain

D.Abnormal gain

13.In process costing, _____ account is maintained for each process

A. Abnormal loss

B.separate

C.Normal gain

D.Abnormal gain

14.Abnormal loss is _____

A.actual loss - normal loss

B.actual loss - normal gain

C.normal loss -actual loss

D.abnormal loss - normal loss

15.normal output is _____

A.units entered - normal loss

B.units entered X normal loss

C.units entered + normal loss

D.units entered / normal loss

16.Loss in excess of normal loss is _____

A.Normal loss

B.Abnormal loss

C.Normal gain

D.Abnormal gain

17.loss occurred due to care lessness is _____

A.Normal loss

B.Abnormal loss

C.Normal gain

D.Abnormal gain

18. Process costing is suitable to industries where

A.Production is carried on in two or more different stages

B. Production is as per customer specifications

C. Specialized services are rendered

D. contracts are undertaken

19. Process costing is _____

A. less expensive

B. more expensive

C. less profitable

D. more profitable

20. Normal Cost of Normal Output / Normal Output X Units of Abnormal

Gain = _____

A. Normal loss

B. Abnormal loss

C. Normal gain

D. Abnormal gain

I UNIT

1. Restate the meaning of Prime cost.
Collection of all direct expenses
2. Explain the meaning of cost
Expenses
3. Expand WIP
Work In Progress
4. Restate the meaning of Overhead
Collection of all indirect expenses
5. Predict the meaning of direct labour
Labour engaged in the production Activity
6. Locate the example for factory overhead
Consumable stores
7. Express the example for office overhead
Printing and stationery
8. Predict the example for selling overhead
Salesmen Salary
9. Express the meaning of COP
Cost of Production
10. Restate the example for prime cost
Direct material

II UNIT MATERIAL CONTROL

K2 QUESTION

1. Define danger Level:
This is a level fixed usually below the Minimum Level.
2. What is Bin Card?
Bin Card is a quantitative record of receipts, issues and closing balance of items of stores.
3. What is ABC Analysis?
It is an analytical method of stock control which aims at concentrating efforts on those items where attention is needed most.
4. Define Ordering Cost
The costs which are associated with the ordering of material.
5. What is Carrying Cost?
The costs for holding the inventories.

6. What is Bill of Material?

It is a complete schedule of parts and materials required for a particular order prepared by the Drawing Office

7. Define Scrap

The form of incidental material residue coming out of certain types of manufacturing processes.

8. What is Material Requisition Note

It is a document issued by a department in charge requesting the Storekeeper to issue certain materials to a job

9. Define Spoilage

When production does not come up to the standard specifications

10. VED Analysis:

VED stands for Vital, Essential and Desirable

III UNIT K2QUESTIONS

1. Define Labour

Labour is an important element of cost. Labour Cost is also called as Employee Cost..

2. What is the role of Payroll Department?

This departments is responsible for preparation of payroll and also basically to maintain records of job classification

3. List out Methods of Time Keeping

Time Recording Clocks or Clock Cards ,Disc Method, Attendance Records

4. Write formula for formula for straight piece rate system

Unit produced X rate per unit

5. List out the advantages of Piece rate system

The wages being paid on the basis of production,.

6. What is Replacement Method?

The number of employees replaced is taken into consideration for computing the Labour turnover.

7. Define Overtime Wages / Overtime Premium

The Factories Act provides for payment of overtime wages at double usual rates of wages.

8. What is Idle Time?

Time for which wages are paid, but no work is done.

9. What is Graduated Time Rate ?

Under this method payment is made at time rate,.

10. What is Differential Piece Rates?

Under these methods, the rate per standard hour of production is increased as the output level rises.

IV UNIT OVERHEADS

K3QUESTIONS

1. Define Overhead

An overhead is the amount which is not identified with any product.

2. What is Apportionment?

Cost Apportionment is the allotment of proportions of items to cost centers.

3. What is Secondary Distribution of Production Overheads?

Re-distribute the service department costs over the production departments.

4. What is Absorption of Overheads ?

A job or a product passes through all or many production departments before it is formed into a finished saleable product.

5. Selling Distribution overhead ?

Overheads incurred for getting orders from consumers are called as Selling Overheads.

6. What is distribution overhead?

Overheads incurred for execution of order are called as Distribution Overheads.

7. What is Step Distribution Method?

It recognises that a service department may render service to the other service department,

8. What is Reciprocal Service Method?

service departments may actually give as well as receive services from and to the other service departments on reciprocal basis.

9. What is Repeated Distribution Method?

This is a continuous distribution of overhead costs over all departments.

10. Define Allocation

CIMA defines Cost Allocation as, 'the charging of discrete, identifiable items of cost to cost centres or cost units'.

UNIT V

1. Restate the Formula for calculating abnormal loss

Normal Cost of Normal Output/Normal Output X Units of Abnormal loss

2. Restate the Formula for calculating abnormal gain

Normal Cost of Normal Output/Normal Output X Units abnormal Gain

3. Predict the meaning of Abnormal loss

Actual loss is more than the estimated loss

4. Express the meaning of NCNO

Normal Cost of Normal Output

5. Predict the meaning of Abnormal gain

Actual loss is less than the estimated loss

6. Locate the example for abnormal loss

Accident

7. Restate the types of process losses

Normal, Abnormal

8. Restate the Formula for calculating normal output

units entered - normal loss

9. Restate the Formula for calculating abnormal loss

actual loss - normal loss

10. Locate the example for normal loss

Evaporator

UNIT I

1. Prepare a cost sheet with the following details:

Direct Materials Rs.50,000; Factory Expenses Rs 25,000 ; Selling Expenses Rs.5,000

Direct Wages Rs. 15,000; Office ExpensesRs.10, 000; Sales Rs. 1, 25,000

- 2.The following cost data is obtained from the books of a factory for the year ended 31st December 2013:

	Rs.
Direct Materials	90,000
Direct Wages	75,000
Profit	60,900
Selling and distribution overheads	52,500
Administration overheads	42,000
Factory overheads	45,000

Prepare a cost sheet indicating prime cost, work cost, production cost, cost of sales and sales value.

3. The following cost data is obtained from the books of a factory for the year ended 31st December 2013:

	Rs.
Direct Materials	90,000
Direct Wages	75,000
Profit	60,900
Selling and distribution overheads	52,500
Administration overheads	42,000
Factory overheads	45,000

Prepare a cost sheet indicating prime cost, work cost, production cost, cost of sales and sales value.

- 4.Construct the specimen of cost sheet

- 5.classify the elements of cost

K3 QUESTIONS

II UNIT

1. Calculate the Economic Order Quantity from the following information. Also state the number of orders to be placed in a year.

Consumption of materials per annum	:	10,000 kg
Order placing cost per order	:	50
Cost per kg of raw materials	:	2

Storage costs : 8% on average inventory

2. Prepare a Stores Ledger Account from the following information adopting FIFO method of pricing of issues of materials.

2016 March

1. Opening Balance 500 tonnes @ `200
 3. Issue 70 tonnes
 4. Issue 100 tonnes
 20. Received from supplier 240 tonnes @ `195
 24. Issue 300 tonnes
 25. Received from supplier 320 tonnes @ `200
 26. Issue 115 tonnes
4. Calculate the minimum stock level and maximum stock level and reordering level from the following information
- i) Minimum consumption 100 units per day
 - ii) Maximum consumption 150 units per day
 - iii) Normal consumption 120 units per day
 - iv) Re order period 10-15 days
 - v) Reorder quantity 1500 units
 - vi) Normal re order period 12 days
5. The following transactions to place in respect of an item of material

Date	Receipts	Rate	Issues
2-3-15	200	2	
10-3-15	300	2.40	
15-3-15			250
18-3-15	250	2.60	
20-3-15			200

Record above transactions in stores ledger accounts, pricing the issues under Simple average method

K3 QUESTIONS

IV UNIT

1. From the following information calculate the labour turnover rate and labour flex rate.

No of workers at the beginning of the year 3800

No of workers at the end of the year 4200

During the year 40 workers have left while 160 workers are discharged

600 workers are required during the year of this 150 workers are recruited

because of leavers and rest are engaged in accordance with an expansion scheme

2. Calculate the normal and overtime wages payable to a workman from the following data

Days	Hours worked
Monday	8
Tuesday	10
Wednesday	9
Thursday	11
Friday	9
Saturday	4

Normally at normal working hours 8 hours per day .Normal rate Rs.1 per hour. Over time up to9 hours in a day at single rate and over 9 hours in a day at double rate or up to 48 hours in a week at single rate and over 48 hours at double rate whichever is more beneficial to the workman.

3. During October 2015, the following information is obtained from the Personnel Department of a manufacturing company.

Labour force at the beginning of the month 1900 and
at the end of the month 2100.

During the month, 25 people left while 40 persons were discharged. 280 workers were engaged out of which only 30 were appointed in the vacancy created by the number of workers separated and the rest on account of expansion scheme. Calculate the Labour Turnover by different methods.

4. From the following particulars, calculate the earnings of workers X and Y and also comment on the labour cost.

Standard time allowed : 20 units per hour

Normal time rate : `30 per hour

Differential Rate to be applied:

80% of piece rate when below standard

120% of piece rate at or above standard

In a particular day of 8 hours, X produces 140 units while Y produces 165 units.

5. Calculate the total earnings from the following data under Halsey Plan and Rowan plan
Standard time 20 hours

Time taken 8 hours

Time rate Rs.4.50 per hour

K3 QUESTIONS

V UNIT

1. In Process X, 100 Units of raw materials, bought at the rate of Rs. 10 p.u. were introduced. Other expenditure incurred in the process was Rs. 830. Normal loss is 10% of the input. The scrap value of normal loss units is Rs. 3 p.u. The output of process X was only 75 units. Prepare process X account
2. 1000units of Raw Material are introduced into process A at cost of Rs.4 each. Normal wastage is 10% and each waste unit realises Rs.2.
Actual output was 850 units other expenses in the process are:
Wages Rs.1000; Materials Rs.3500; Production overhead Rs.700. Prepare process A account
- 3.. Prepare process account from the following (Normal loss without scrap value)
Materials issued 1000 kg at Rs. 125.
Wages Rs. 28000
Overheads Rs. 8000
Normal loss 5% of Input.
Output 900 kilograms
4. In process A 100 units of raw materials were introduced at a cost of Rs. 1,000. The other expenditure incurred by the process is Rs. 600. Of the units introduced, 10% are normally scrapped in the course of manufacture and they possess a scrap value of Rs. 7 per unit. The output of Process A was only 75 units. Calculate the value of abnormal loss.
5. In process S 300 units of raw materials were introduced at a cost of Rs. 9,000. The other expenditure incurred by the process is Rs.200. Of the units introduced, 20% are normally scrapped in the course of manufacture and they possess a scrap value of Rs. 5 per unit. The output of Process S was 250 units. Calculate the value of abnormal Gain.

UNIT I

1. Prepare a statement showing cost and profit for the year ended 31.12.2014.

	1.1.2014	31.12.2014
	Rs.	Rs.
Raw materials	1,00,000	1,23,500
Furnished goods	71,000	42,000
Work-in-progress	31,000	34,000
Purchase of raw materials		88,000
Direct wages		70,000
Indirect wages		2,500
Works expenses		37,000
Administrative expenses		13,000
Sale of factory scrap		2,000
Selling & distribution expenses		15,000
Sales of finished goods		2,75,000

2.The accounts of Z manufacturing Company for the year ended 31st December 2007 show the following:

	Rs.		Rs.
Factory overheads	6,500	Materials purchased	1,85,000
General office salaries	12,600	Travelling expenses	2,100
Carriage outward	4,300	Traveller's salaries &	
Carriage on purchases	7,150	commission	7,700
Bad debts written off	6,500	Productive wages	1,26,000
-Repairs of plant machinery and tools	4,450	Depreciation:	
Rent rates, taxes and insurance:		-Plant machinery & tools	6,500
- factory	8,500	- Furniture	300

- office	2,000	Directors' fees	6,000
Sales	4,61,100	Gas and water	
Stock of materials		- Factory	1,200
- 31 st Dec 2014	62,800	- Office	400
- 31s Dec 2015	48,000	Manager's salary (3/4 factory and ¼ office)	10,000
Income tax	500	General expenses	3,400
		Dividend	1000

Prepare statement giving the following information:

Materials consumed b. prime cost c. factory cost d. Cost of production e) Net profit

3. Prepare a statement showing cost and profit for the year ended 31.12.2014.

	1.1.2001	31.12.2001
	Rs.	Rs.
Raw materials	5,00,000	7,57,500
Furnished goods	56,000	66,000
Work-in-progress	12,000	14,000
Purchase of raw materials		23,000
Direct wages		10,000
Indirect wages		8,900
Works expenses		17,000
Administrative expenses		19,000
Selling & distribution expenses		9,000
Sales of finished goods		23,45,000

4. Analyse the relationship of cost accounting with financial accounting

5. Prepare a statement showing cost and profit for the year ended 31.12.2011.

	1.1.2011	31.12.2011
	Rs.	Rs.
Raw materials	6,00,000	2,40,500
Furnished goods	61,000	12,000
Work-in-progress	11,000	7,000
Purchase of raw materials		1,11,000
Direct wages		9,000
Indirect wages		1,500
Works expenses		10,000
Administrative expenses		11,000
Selling & distribution expenses		2,000
Sales of finished goods		9,00,000

UNIT II

1. This stock of material A as on 1ST June 2015 is 500 units @ Rs.1 per unit following purchases and issues of this item were made subsequently. Standard price Rs 1.10

Date	Receipts	Rate	Issues
10-3-15	400	1.10	200
15-3-15	300	1.20	-
21-3-15	-	-	500
22-3-15	-	-	200
24-3-15	500	1.30	-
25-3-15	-	-	300
28-3-15	-	-	200

2. The components A and B are used as follows:

Normal usage 300 units per week each

Maximum usage 450 units per week each

Minimum usage 150 units per week each

Reorder Quantity A 2,400 units; B 3,600 units.

Reorder period A 4 to 6 weeks, B 2 to 4 weeks.

Calculate for each component:

- (a) Re-order Level
- (b) Minimum Level
- (c) Maximum Level
- (d) Average Stock Level.

3. The stock of material as on 1st June 2015 is 500 units @ Rs.1 per unit. Following purchases and issues of this item were made subsequently.

Date	Receipts	Rate	Issues
June 6	400	1.10	
June 10	-	-	200 units
June 15	300	1.20	-
June 20	-	-	500 units
June 21	-	-	200 units
June 24	500	1.30	-
June 25	-	-	300 units
June 28	-	-	200 units

Prepare the stores ledger account show how the value of the above issues should be arrived under the base stock method when it operates in conjunction with LIFO, Base stock is Rs 200 units

4. Following is an extract of the record of receipts and issues of sulphur in a chemical factory during Feb 2015

February 1 Opening balance 500 tonnes@ Rs.200

3 Issue: 70 tonnes

4 Issue: 100 tonnes

8 Issues: 80 tonnes

13 Received from the supplier 200 tonnes @Rs.190

14 Returned from Department 15 tonnes

16 Issue: 180 tonnes

20 Received from supplier 240 tonnes @ Rs.190

24 Issue: 300 tonnes

25 Received from supplier 320 tonnes @ Rs.190

- 26 Issue: 115 tonnes.
- 27 Returned from Department 35 tonnes.
- 28 Received from supplier 100 tonnes @ Rs.190

Issues are to be priced on the principal of 'First in First Out'. The stock verifier of the factory had found shortage of 10 tonnes on the 22nd and left a note accordingly. Draw up priced stores ledger card for the material showing the above transactions

5.The components A and B are used as follows:

- Normal usage 700 units per week each
- Maximum usage 950 units per week each
- Minimum usage 50 units per week each
- Reorder Quantity A ,400 units; B 1,600 units.
- Reorder period A 2 to 4 weeks, B 5 to 6 weeks.

Calculate for each component:

- (a) Re-order Level
- (b) Minimum Level
- (c) Maximum Level
- (d) Average Stock Level.

UNIT IV

1. Calculate the earnings of worker A & B under straight piece rate system and Taylor's differential piece rate system from the following particulars

- i) Normal rate per hour Rs.1.80
- ii) Standard time per unit 20 sec
- iii) Differential to be applied:
 - a) 80% of piece rate below standard
 - b) 120% of piece rate at above standard

Worker A produces 1300 units and worker B produces 1500 units per day.

2. Calculate the earnings of 3 workers A, B and C under 'Merricks multiple piece rate system, given the following:

Standard production per day: 150 units
 Normal piece rate: Re.0.50 per unit
 Production of workers on a particular day:
 120 units
 B 140 units
 C 160 units

3. From the following particulars work out the earnings for the week of a worker under
- (a) Straight Piece Rate
 - (b) Differential Piece Rate
 - (c) Halsey Premium System
 - (d) Rowan System

Number of working hours per week — 48

Wages per hour — ` 3.75

Normal time per piece — 20 Min

Normal output per week — 120 pieces

Actual output for the week — 150 pieces

Differential piece rate — 80% of the piece rate when output is below standard and 120% above standard.

4. From the following data calculate total monthly remuneration of the worker A,B and C.

Standard production per month per worker 1000 units

Actual production during a month 850 -A, 720 – B,C-960 units

Piece work rate per month of actual production 20 piece.

Dearness wages is 50 per month (fixed)

HRA Rs.20 p.m (fixed)

Time allowance 20 p.m (fixed)

Additional production bonus at the rate of Rs.5 for each percentage of actual production exceeding 80% the standard

5. Calculate the earnings of worker A& B under straight piece rate system and Taylor's differential piece rate system from the following particulars

i) Normal rate per hour Rs.3.80

ii) Standard time per unit 10 sec

lii) Differential to be applied:

a)80% of piece rate below standard

b)120% of piece rate at above standard

Worker A produces 3000 units and worker B produces 2000 units per day.

UNIT IV

1. Work out the machine hour rate for the following machine whose scrap value is nil

Cost of machine Rs.36000

Freight and installation Rs.40000

Working life :20 year

Working hours : 8000 per year

Repair charges : 50% of depreciation

Power : 10 units per hour @ 10 paise per unit

Lubricating oil @ Rs.2 per day of 8 hours

Consumable stores @ Rs.10 per day of 8 hours

Wages of operator @ Rs. 4 per day

2. The modern company is divided in to 4 companies ABC are producing department and D is a service department. The actual liability for insurance 150,Supervision 1500,Fire insurance in respect of stock 500,power 900,light 120

The following information are available in respect of the 4 departments

particulars	A	B	C	D
Area	1500	1100	900	500
No.of employees	20	15	10	5
Total wages	6000	4000	3000	2000
Value of plant	24000	18000	12000	6000
HP of plant	24	18	12	6
Value of stock	15000	9000	6000	-

Apportion the cost to various dept on the most suitable basis

3. In a factory there are 2 service department P& Q and 3 production department. X,Y andZ during 3 production department expenses were:

Production department X 6500

Production department Y 6500

Production department Z 6500

Service department P 12000

Service department Q 10000

The service department expenses are allocated as follows

particulars	Production dept	Service dept
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particulars	X	Y	Z		P	Q
Dept P	30%	40%	15%		-	15%
Dept Q	40%	30%	25%		5%	Nil

Distribute the service department expenses over the production department under Repeated distribution method

4. A Company has 3 production Department and 2 Service Department and for a period the Departmental Distribution Summary has the following Total.

Production Department P1: 800, P2: 700, P3: 500 = 2000

Service Department S1: 234, S2: 300 = 534

The expenses of the service Department of the service department are charged out on a % basis as follows

Particulars	P1	P2	P3	S1	S2
Service Dept S1	20%	40%	30%	-	10%
Service Dept S2	40%	20%	20%	20%	-

Prepare a statement showing the apportionment of 2 Service Department expenses to production Departments by simultaneous equation method.

5. The modern company is divided in to 4 companies ABC are producing department and D is a service department. The actual liability for insurance 150, Supervision 1500, Fire insurance in respect of stock 500, power 900, light 120

The following information are available in respect of the 4 departments

particulars	A	B	C	D
Area	1500	1100	900	500
No.of employees	20	15	10	5
Total wages	6000	4000	3000	2000
Value of plant	24000	18000	12000	6000
HP of plant	24	18	12	6
Value of stock	15000	9000	6000	-

UNIT V

1. A product passes through two distinct processes A and B and then to finished stock.

From the following information prepare process accounts.

Process A Process

Materials consumed (Rs.)	12,000	6,000
Direct labour (Rs.)	14,000	8,000
Manufacturing expenses (Rs.)	4,000	4,000
Output in Process A (units)	10,000	-
Output in Process A (value) (Rs.)	10,000	-
Output in units	9,400	8,300
Normal loss	5%	10%
Value of normal loss (per 100) units	Rs.8	Rs.10

2. A liquid medicine passes through three distinct process A, B and C. During the month of January 2012, 600 gross bottles were produced. From the following details, prepare process accounts.

	Process		
	A	B	C
	Rs	Rs	Rs
Materials	4,000	2,000	1,500
Labour	3,000	2,500	2,300
Direct expenses	600	200	500
Cost of bottles	--	2,030	--
Cost of corks	--	--	235

Indirect expenses were Rs. 1,000. In process B, the by- products were sold for Rs.240. In process C, the residue was sold for Rs.125.50.

3. The following information is obtained from the accounts for the month ending March 2001.

Item	Total	I	II	III
Direct material	7542	2600	1980	2962
Direct wages	9000	2000	3000	4000

Production overheads	9000	-	-	-
% of normal loss to input		5%	10%	15%
Output(in units) during the month		950	840	750
Value scrap per unit (Rs.)		2	4	5
1000 units atRs.3 each were introduced to process I. There was no stock of materials or work-in-progress at the beginning or end of the period. The output of each process passes direct to the next process and finally to finished stores. Production overhead is recovered on 100 percent of direct wages. Prepare process cost accounts and other related accounts				

4. A product passes through two distinct processes M and N and then to finished stock.

From the following information prepare process accounts.

	Process M	Process N
Materials consumed (Rs.)	36,000	18,000
Direct labour (Rs.)	42,000	24,000
Manufacturing expenses (Rs.)	12,000	12,000
Input in Process A (units)	30,000	-
Input in Process A (value) (Rs.)	30,000	-
Output in units	28,000	26,500
Normal loss	5%	10%
Value of normal loss Per unit	4	6

5. A product passes through two distinct processes P and Q and then to finished stock.

From the following information prepare process accounts.

	Process M	Process N
Materials consumed (Rs.)	5000	1000
Direct labour (Rs.)	1000	250
Manufacturing expenses (Rs.)	500	100
Input in Process P (units)	25,000	-

Input in Process A (value) (Rs.)	25,000	-
Output in units	24,000	22,000
Normal loss	10%	10%
Value of normal loss Per unit	2	3