**Bachelor of Commerce with Accountancy, Finance Examination: October 2014 Semester – III (Fresh)**

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| --- | --- | --- | --- | --- | --- |
| **Day & Date** | **Paper no.** | **Subject Name** | **Time** | **Code** | **Max. Marks** |
| **Monday**  **27/10/2014** | **P – III** | **Cost Accounting** | **11.00 AM**  **to**  **01.30 PM** | **3003** | **--** |

**Q.1** Prepare a cost sheet showing the total and per tonne cost of paper manufactured by Times Mills Ltd, for the months of March’ 2014. There were 26 working days in the month. Also find the profit earned by the company.

The details are as under:

Direct Raw Materials:

Paper pulp: 6000 tons @ Rs. 900/- per tonne.

Direct Labours:

280 skilled workmen Rs. 250/- per day

300 skilled workmen Rs. 150/- per day

470 unskilled workmen Rs. 100/- per day

Direct Expenses:

Special equipment with hire charges Rs. 12,000/- per day.

Special dyes Rs. 250/- per tonne of total Raw Material input.

Overheads:

Variable 50% Direct Wages

Fixed Rs. 2,70,000/- per month

Administration overheads 12% of work costSelling & Distribution overheads Rs. 80/- per tonne sold.

Opening stock of paper 500 tonnes valued @ Rs. 250/- 60 per ton

Closing stock of paper 300 tonnes valued at cost of production. The paper is sold @ Rs. 3000 per tonne.

**Q.2** The following cost information for a period is available for a small engineering unit.

**(A)** Allocated expenditure **25**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | Allocated | |  | |
|  |  | Production Dept | | Service Dept. | |
| Particulars | Total Rs. | Machine Shop | Assembly Shop | General Plant Services | Stores |
| Indirect Wages | 29,300 | 8,000 | 6,000 | 4,000 | 11,300 |
| Stores Consumed | 6,700 | 2,200 | 1,700 | 1,100 | 1,700 |
| Supervisory | 14,000 | - | - | 14,000 | - |
| Salaries |  |  |  |  |  |
| Other Salaries | 10,000 |  |  | 10,000 |  |

**(B)** Expenditure to be apportioned:

|  |  |
| --- | --- |
| Power & Fuel | 15,000 |
| Rent | 15,000 |
| Insurance | 3,000 |
| Depreciation | 1,00,000 |

**(C)** Additional information available:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Particulars | Floor Area (sq.ft) | H.P hours | No. of employees | Investment (Rs.) |
| Machine Shop | 2,000 | 3,500 | 30 | 6,40,000 |
| Assembly | 1,000 | 500 | 15 | 2,00,000 |
| General Plant | 500 | - | 5 | 10,000 |
| Stores | 1,500 | 1,000 | 10 | 1,50,000 |

**Q.3** In a company, weekly minimum & maximum consumption of material A are 25 & 75 units respectively. The re-order quality as fixed by the company is 300 units. The material is received within 4 to 6 weeks from issue of supply order.

Calculate minimum level and maximum level of material A. **25**

**Q.4** Calculate the earnings of a worker from the following particulars under. **25**

**1.** Halsey Plan

**2.** Rowan Plan

**(a)** Hourly rate of wages guaranteed 0.50 paise per hour.

**(b)** Standard time for producing one dozen articles - 3hrs.

**(c)** Actual time taken by worker to produce 20 dozen articles – 48 hours.

**Q.5** Attempt any two:- **25**

**(a)** What is costing? Explain its importance.

**(b)** What is EOQ? Explain its assumptions, limitations & factors determining EOQ.

**(c)** Explain the concept of Idle time? Mention the causes of Idle time.

**(d)** What is Machine hour Rate? And also explain its importance.