Dr. Babasaheb Ambedkar Open University
Term End Exam August – 2010

Course Code	: DACA-01	Roll No.______________	
Subject	: Basic of Cost Accounting	Marks	: 70
Date	: 02-08-2010		
Time	: 11:00 to 02:00		

Note : All questions carry equal marks.

Que 1: Write notes on the following. (Any Two)

1. Direct cost and Indirect cost.
2. Relevant and irrelevant cost.
3. Period wise and product wise classification of different cost.
4. Opportunity Cost.

Que 2: Explain periodic inventory system and perpetual inventory system.

OR

From the following information find out Maximum level and Minimum-level for Madhuvan Ltd.

Minimum Consumption = 200 units per week

Maximum Consumption = 800 units per week

Ordering time = 3 to 5 weeks

Economic order Quantity = 3600 units

Que 3: Explain the Rowan plan for wage incentives.

OR

What is labour turnover and what are the reasons for labour turnover.

(P.T.O)

Que 4: What is meant by over absorption of overheads and under absorption of overheads and how it can be disposed off in books of accounts?

OR

The following particulars relate to a new machine purchased by Ajit Ltd.

	Rs.
Purchase price of the machine	4,00,000
Installation expenses	1,00,000
Rent per quarter	15000
General lighting for the total area	1000 per month
Foreman's salary	30,000 per annum
Insurance premium for the machine	3000 per annum
Estimated consumable stores	4000 per annum

Power -2 units per hour at Rs. 50 per 100 units.

The estimated life of the machine is 10 years and the estimated value at the end of the 10^{th} year is Rs. 1 lakh. The machine is expected to run 20,000 hours in its life time. The machine occupies 25% of the total area. The foreman devotes 1/6 of his time for the machine.

Calculate the machine hour rate for the machine.

Que 5 : Write short Note : (Any two)

1. Basis of allocations for overheads
2. Controllable cost
3. Taylors Differential Piece Rate System.
4. Concept of EOQ.

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Course Code	: DACA-02	Roll No.____________	
Subject	: Various forms of Costing	Marks	: 70
Date	: 02-08-2010		
Time	: 03:00 to 06:00		

Note : All questions carry equal marks.

Que 1: Write notes on the following. (Any Two)

(a) Contract Costing
(b) Process Costing
(c) Batch Costing
(d) Operation Costing

Que 2: From the following information of Raju Limited, prepare a statement of equivalent units.

Opening inventory : Partially completed units (40% Complete) 600
Units introduced during the period 10,000.
Closing inventory (Partially completed units : 70% complete) 2,000

OR

Suraj transport company operates the Following Fleet : 20 trucks of 10 tonne capacity , 10 trucks of 5 tonne capacity, 5 mini-trucks of 2- tonne capacity each.

The first two types of trucks are used for long distances and the mini-truck is utilized for local transport only. In a week, the following distances were covered by each of the trucks: 10 tonnes capacity truck, 600 kms, 5 tonne capacity truck, 500 kms ; 2 tonne capacity truck, 300 kms.

If the total cost is Rs. 3,70,000 determine the cost per tonne-km, assuming that all vehicles worked to their full capacity during the period.

Que 3: Adit transport service company is running four buses between two towns, 50 kms apart. Seating capacity of each bus is 40 passengers. The following particulars were obtained from their books :

(P.T.O)

Wages of drivers, conductors and Cleaners	Rs. 2,400
Salaries of office and Supervisory Staff	Rs. 1,000
Diesel and Oil	Rs. 4,000
Repairs and maintenance	Rs. 800
Taxation, insurance, etc	Rs. 1,600
Depreciation	Rs. 2,600
Interest and other charges	Rs. 2,000
	Rs. 14,400

Actual passengers carried were 75% of the full capacity. All the four buses run on all days of the month. Find out the cost per passenger – km.

OR

Compute a conservative estimate of profit on contract of Reshma Ltd. (Which has been 80% complete) from the following particulars. Illustrate your methods of computing the profit.

Total expenditure to date	Rs. 1,70,000
Estimated further expenditure to complete the contract (including contingencies)	34,000
Contract price	3,06,000
Work Certified	2,00,000
Work not certified	17,000
Cash received	1.63,200

Que 4 : Calculate the estimated cost of production of by products X and Y at the point of separation from the main product, in Swaraj Ltd.

	By –Product X	By Product Y
Selling price per unit	Rs. 12	Rs. 24
Cost per unit after Separation from the main product	4	5
Units produced	500	200

(P.T.O)

Selling expenses amount to 25% of total works cost, that is including both pre-separation and post – separation work costs. Selling process are arrived at by adding 20% to the total costs.

OR

In Sajan Ltd. Product Z yields by-products , X and Y. The join expenses of manufacturing are Rs. 65,000. From the following additional information, show how you would apportion the joint expenses incurred in manufacturing.

	X	Y	Z
1. Sales	Rs. 1,00,000	Rs. 40,000	Rs. 25,000
2. Manufacturing costs after separation	20,000	5,000	4,000
3. Estimated Selling expenses As percentage on Sales	20	23	20
4. Estimated profit as percentage On sales	20	25	30

Que 5: Write short note : (Any two)

(1) FiFo method.

(2) Spoilage.

(3) Allocation of joint cost.

(4) Inter – process profits.

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Course Code	: DACA-03	Roll No.____________	
Subject	: Marginal Cost Accounting	Marks	: 70
Date	: 03-08-2010		
Time	: 11:00 to 02:00		

Note : All questions carry equal marks.

Que 1: Explain meaning and scope uniform costing. Discuss advantages and limitations of uniform costing.

OR

Que 1: What do you mean by inter-firm comparison ? Discuss purpose and advantages of inter-firm comparison.

Que 2: Pass journal entries relating to the following transactions presuming that the concern is following integral system of accounting for Maruti Ltd.

(1) Sales for the period were Rs. 5,10,000 as compared to the budgeted sales of Rs. 5,0,000.
(2) Goods of Rs. 3,05,000 purchased as compared to standard cost of Rs. 3,00,000.
(3) Production wages paid Rs. 56,000 as compared to standard cost of Rs. 55,000.
(4) Production overheads amounted to Rs. 76,000 as compared to standard cost of Rs. 75,000.

OR

Que 2 : Himalaya Ltd. has adopted Integrated Accounting System. Journalize the following transactions for December 2007 and prepare Wages Control Account :

Direct Wages Paid	Rs. 53,400
Direct Wages Charged to Production	Rs. 51,600
Indirect Wages Paid	Rs. 11,500
Indirect Wages Allocated	Rs. 1,500
Wages for Repairs	Rs. 800

(P.T.O)

Que 3: The following figures are available for the records of Venus enterprises as at 31 march

	2000 Rs. Lakhs	2001 Rs. Lakhs
Sales	150	200
Profit	30	50

Calculate

a. The P / V Ratio and Total fixed Expenses.
b. The Break – Even level of Sales .
c. Sales required to earn a profit of Rs. 90 Lakhs.
d. Profit or Loss that would arise if the sales were Rs. 280 Lakhs.

OR

Que 3: A factory engaged in manufacturing plastic buckets is working at 40% capacity and produces 10,000 buckets per annum. The present cost break – up for one bucket is as given below :

Material	Rs. 10
Labour cost	Rs. 3
Over Head	Rs. 5 (60% Fixed)

The selling price is Rs. 20 per buckets if it is decided to work the factory at 50% of capacity, the selling price falls by 3 %. At 90 % capacity, the selling price falls by 5 % accompanied by a similar fall in the prices of materials. You are required to calculate the profit at 50% and 90% capacities and also calculate break even points for the same capacity productions.

Que 4: R & Co. produces standard product for which costs per unit are as under.

Raw Material	Rs. 15
Labour cost	Rs. 10
Direct Expenses	Rs. 3
Variable overheads	Rs. 2

Semi – variable overheads at 100% capacity utilization (1000 units) are expected to be Rs. 10000 and these overheads vary in steps of Rs. 1000 for each charge output of 100 units. Fixed overheads are estimated at Rs. 15000. Products are expected to be sold at Rs. 80 / per unit.

(P.T.O)

You are required to prepare Flexible Budget for 100% , 90%, 70% and 50% level of activity.

OR

Que- 4: Define Term Budget and Budgetary Control. Discuss types of budgets.

Que – 5: Write Short Notes. (Any Two)

(a) Objectives of Budgetary Control.
(b) Cost Volume Profit Analysis.
(c) Types of Responsibility Centre.
(d) Utility of Break Even Analysis.

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Course Code	: DACA-04		Roll No.______________
Subject	: Variance Analysis and other Aspects of cost Accounting		
Date	: 03-08-2010		Marks : 70
Time	: 03:00 to 06:00		

Note : All questions carry equal marks.

Que 1: AB Ltd. has adopted standard costing furnished the following information materials for 70 kg finished products 100 kg price or materials Rs. 1 per kg.

Actual Output	2100kg
Material used	2800kg
Cost of Material	Rs. 2520

Calculate all material variance (14)

OR

Que 1: the standard cost of a certain chemical mixure for ABC Ltd. is (14)

35 % Material 'A' at Rs. 25 per kg.
65% Material 'B' at Rs. 36 per kg.

A standard loss of 5% is expected in production

125 kg of material A at Rs. 27 per kg.
275 kg of material B at Rs. 34 per kg.

The actual output was 365 kg.

Calculate all material variance.

Que 2 : The following information calculate all fixed overhead variance. (14)

	Budget	**Actual**
Fixed overhead for April (Rs.)	10000	12000
Production in April (units)	2000	2100
Standard time per unit (Hours)	10	
Actual hours worked in April		22000

OR

Que 2: The Following information is obtained from the cost accounts of A Ltd. calculate fixed overhead on the basis of this information. (14)

(P.T.O)

	Standard	Actual
Hours during a month	3000 Hours	3270 Hours
Days in each month	25 days	27 days
Monthly fixed overhead	Rs. 1500	Rs. 1600
Monthly production	2000 Units	2200 Units

Que 3 : Figures of sales by Raj Ltd. in march 2010 are as follow. (14)

	Standard			Actual		
	Quantity (units)	Price (Rs.)	Amount (Rs.)	Quantity (units)	Price (Rs.)	Amount (Rs.)
A	800	3	2400	750	3.50	2625
B	1200	5	6000	900	4.00	3600
	2000		8400	1650		6225

Calculate the Sales variance

OR

Que 3 : The data regarding direct wages of Amas Ltd. for march 2010 is as follows. (14)

Gross Direct Wages	Rs. 65000
Standard hours produced	5400
Standard rate per hours	Rs. 11
Actual hours worked	5200

Calculate the necessary labour variance.

Que 4 : Write a short note on sales variance. (14)

OR

Que 4 : State the position for disposal of variance. (14)

(P.T.O)

Que 5 : State the procedure to reconcile budgeted profit with actual profits. (14)

OR

Que 5: Calculate

(1) Material cost variance.
(2) Material price variance.
(3) Material usage variance.

From following data Shyam Ltd.

Material	**Standard**		**Actucal**	
	Quantity (kg)	Price (Rs)	Quantity (kg)	Price (Rs)
X	600	8	720	7.50
Y	900	10	1080	10.20
	1500		1800	