

Dr. Babasaheb Ambedkar Open University
Term End Examination January-2013

Course : Diploma in Advance Cost Accounting (**DACA**)
Roll No : _____
Subject : Basic of Cost Accounting (**DACA-01**)
Date : **27/01/2013**
Time : **11.00 to 02.00**
N.B. : All questions carry equal Marks. **Total Marks : 70**

Q.1 Write short notes (Any two) (14)

- (1) Relevant and Irrelevant cost.
- (2) Direct cost and Indirect cost.
- (3) Reorder Point.
- (4) Taylor's Differential Piece Rate System.

Q.2 From the following information, find out Maximum level and Minimum level if Dev Ltd. (14)

Minimum Consumption = 200 units per week

Maximum Consumption = 800 units per week

Ordering time = 3 to 5 weeks

Economic Order Quantity = 3600 units

OR

From the following information calculate Economic Order Quantity (EOQ) and number of Order to be placed in each year.

Annual Consumption of material 5,000 kg

Cost per unit Rs. 2

Cost of buying per order Rs. 5

Storage and carrying cost 8% on average inventory.

Q.3 What is Labour Turnover and what are the reasons for Labour Turnover. (14)

OR

Purvi, Hiral and Komal are three Labourers in a factory. Allowed standard time for a job is 50 hours.

Wage rate per hour is Rs. 2

To finish the job Purvi takes 30 hours, Hiral takes 40 hours and Komal takes 55 hours.

What wages will have to be paid to each one in the Halsey Bonus System.

Q.4 Explain the basis of Allocations for Overheads.

(14)

OR

Calculate the Machine hour rate in respect of Machine No. 420 from the following particulars.

Cost of Machine	Rs. 50,000
Estimated Life Hours	Rs. 20,000
Estimated Scrap value	Rs. 10,000
Estimated working hours per annum	Rs. 2000
Setting up time	5%
Power 10 units @ 10 Paise per hour	-
Cost of repairs and maintenance (estimated) per annum	Rs. 4000
Rent and Rates per year	Rs. 2400
Wages of Operators per year	Rs. 4800
Insurance Premium	1% p.a.

Q.5 Explain ABC method of Inventory Handling.

(14)

OR

Explain the Rowan plan for Wage incentives.

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Course : Diploma in Advance Cost Accounting (**DACA**)
Roll No : _____
Subject : Various Forms of Costing (**DACA-02**)
Date : **27/01/2013**
Time : **03.00 to 06.00** **Total Marks : 70**

- Q.1** A. Explain Meaning and Uses of Batch costing. (18)
B. Explain requirements of Job costing.

OR

The following information regarding Job No. 51 is taken from cost Accounts of an Engineering Factory.

Material Rs. 4010

Labour:

Department A - 60hours. Rs. 3 per hour

Department B - 40 hours. Rs. 2 per hour

Department C - 20 hours. Rs. 5 per hour

Variable Overheads:

Department A Rs. 5000 for 5000 labour hours

Department B Rs. 3000 for 1500 labour hours

Department C Rs. 2000 for 500 labour hours

Fixed Overhead Expenses:

Rs. 20,000 for 10,000 general working hours. Calculate Total cost of Job No:51.

- Q.2** Explain how profit is calculated on Incomplete Contract use Imaginary Figures. (17)

OR

On 01/01/2011 a undertook of contract No. 111 for Rs. 2,00,000. The following information is available in respect of this contract for the accounting year ended 31/03/2011.

	Rs.
Cash received from the Contractee (being 75% of the work certified)	30,000
Wages paid	15,000
Materials supplied	20,000
Other expences	3,000
Plant supplied on 01/01/2011	20,000
Uncertified work	1,100
Materials unused lying at site	800
Wages due but not paid	600

Provide 10% depreciation on Plant. Uncertified work has been valued at 10% more than cost price.

Prepare contract No. 111 account in the books of A.

- Q.3** How is cost of providing service found out in Operating costing. (18)

OR

From the following data, compute the cost per running kilometre.

	Rs.
Cost of Vehicle	30,000
Road Licence (Annual)	1,000
Driver's Wages per month	400
Garage rent (Annual)	1,200
Cost of petrol (per litre) (per litre 10 kilometres)	6
Tyre and maintenance expenses per kilometer	Rs. 0.50
Estimated life	1,50,000 Kilometres
Estimated kilometer (per annum)	6,000
Insurance (Annual)	Rs. 200

- Q.4** In a factory 5000 units are introduced into a process at a cost of Rs. 1,00,000.
The total additional expenditure incurred by the process is Rs. 1,65,000. **(17)**
From the past experience it is calculated that of the units introduced are normally spoiled in the course of manufacture. These possess a scrap value of Rs. 5 per unit.
Prepare process account if the output is as follows:-
(a) 4000 units produced.
(b) 3500 units produced.
Assume that abnormal wastage possess the same Scrap value as the Normal wastage.

OR

Explain Singal or Output costing with illustration.

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Course : Diploma in Advanced Cost Accounting (**DACA**)
Roll No : _____
Subject : Managerial Cost Accounting (**DACA-03**)
Date : 29/01/2013
Time : 11.00 to 2.00
N.B. : All Questions carry equal Marks **Total Marks : 70**

Q.1 Write short note(Any Two) (14)

1. Break-Even Analysis.
2. Differential Cost.
3. Decision Making.
4. Shut Down Decisions.

Q.2 Explain the meaning of Uniform Costing and scope of standardization of Uniform Costing. (14)

OR

Pass Journal entries relating to the following transactions presuming that the concern is following in integral system of accounting for Rudhra Ltd.

1. Sales for the period were Rs. 20,40,000 as compared to the budgeted sales of Rs. 20,00,000.
2. Goods of Rs. 6,10,000 purchased as compared to Standard cost of Rs. 6,00,000.
3. Production wages paid Rs. 2,30,000 as compared to Standard cost of Rs. 2,00,000.
4. Production overheads amounted to Rs. 3,00,000 as compared to Standard cost of Rs. 2,75,000.

Q.3 The following are the particulars of a business unit of A Ltd. (14)

Sales Rs.	Profit Rs.
1,00,000	10,000
1,20,000	14,000

Work out the following answers from the above details

1. Profit-Volume Ratio.
2. Figures of profit when sales are of Rs. 90,000 and Rs. 40,000.
3. Figure of sales to earn profit of Rs. 20,000.
4. Fixed costs.
5. Break-even points.

OR

Explain sell or further process decision in Decision Making.

Q.4 What are the advantages and limitations of Profit Center of Responsibility. (14)

OR

Explain the meaning of budgeting and describe purposes for which budgeting be done.

Q.5 Answer the following Any Two. (14)

1. Write note on Cash Budgets.
 2. Write note on Flexible Budgets.
 3. What are the purposes of Inter Firm comparison.
 4. Explain Graphic method of Break-even Analysis.
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Course : Diploma in Advanced Cost Accounting (DACA)

Roll No : _____

Subject : Variance Analysis (DACA-04)

Date : 29/01/2013

Time : 3.00 to 6.00

N.B. : All Questions carry equal Marks

Total Marks : 70

Q.1 Write short note(Any Two) (14)

1. Sales variances.
2. Variance reporting.
3. Labour Variances.
4. Material Variances.

Q.2 State the procedure to reconcile Budgeted Profits with Actual Profit. (14)

OR

State the procedure for Disposal of Variances.

Q.3 Standard wage rate is Rs. 4 per hour and standard time is 20 hours. But actual wage rate is Rs. 4.50 per hour: and actual hours used are 24 hours. (14)

Calculate Labour Cost Variance from above information.

OR

From the data given calculate Material cost variance, Material Price variance and Material usage variance.

Material	Standard		Actual	
	Quantity	Unit Price	Quantity	Unit Price
	Kg.	Rs.	Kg.	Rs.
A	360	12	420	11
B	540	15	630	16
	900		1050	

Q.4 Calculate variable Overhead variances from the given data:- (14)

Budgeted production: 300 units.

Budgeted variable overheads: Rs. 6000

Standard time for production of one unit: 20 hours.

Actual production during the month: 250 units.

Actual hours during the month: 7000 hours.

Actual variable overheads: Rs. 6300.

OR

From following information compute (i) Fixed overhead cost variance (ii) Expenditure variance (iii) Volume variance (iv) Capacity variance.

Particular	Budget	Actual
Fixed Overhead for June (Rs.)	20,000	24,000
Production in June (Units)	4,000	4,200
Standard time per unit (Hours)	20	
Actual hours Worked in June		44,000

Q.5 From following data calculate Sales price variance and Sales volume variance. (14)

Budgeted sales 40,000 units at Rs. 40 per unit.

Actual sales 20,000 units at Rs. 35 per unit and 16,000 units at Rs. 40 per unit.

OR

The standard mix of labour for a job is as under (Job finished within 50 hours)

5 male workers at Rs. 5 per hour

6 female workers paid at Rs. 4.00 per hour

2 child workers paid at Rs. 3.00 per hour

But actually 7 male workers, 5 female workers and 1 child are employed for this job.

Compute Labour mix Variance.