# Dr. Babasaheb Ambedkar Open University
## Term End Examination January-2016

| | | |
|---|---|---|
| **Course** | : Diploma in Advance Cost Accounting **(DACA)** | **Numerical Code: 0025** |
| | | **Roll No.:___________** |
| **Subject** | : Basic of Cost Accounting **(DACA-01)** | **Numerical Code: 0163** |
| **Date** | : **28/01/2016** | **Time : 11.00 to 02.00** |
| **N.B.** | : All questions carry equal Marks. | **Total Marks : 70** |

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**Q.1** Write a note on: **(14)**
(A) Discuss the objectives of Cost Accounting
(B) Discuss variable, Fixed and Mixed Cost

**OR**

Write a Short note on ABC method of Inventory Handling.

**Q.2** Write down short note on: **(14)**
(A) Rowan plan for wage incentives
(B) Halsey Premium plan for wage incentives

**OR**

What is Labour turnover. Discuss the three methods to measure Labour turnover.

**Q.3** What is overhead? Discuss basis of allocation for overheads. **(14)**

**OR**

Discuss the various methods for charging cost of service departments.

**Q.4** The following details are available in Respect of XYZ ltd. **(14)**

1. Inventory Requirement per year 6,000 units
2. Cost per unit (Other than carrying and ordering costs) Rs.5
3. Carrying costs per item for one year Rs.1
4. Cost of placing each order Rs.60
5. Alternative Order size (units) 6000, 3000, 2000, 1200, 1000, 600 and 200
   Determine EOQ

**OR**

A Worker taskes 9 hours to Complete a job on daily wages and 6 hours on a scheme of payment by Results His day rate is 75 paise per hour, the Material Cost of the product is Rs.4 and the overheads are recovered at 150% of the total direct wages. Calculate the factory cost of the product under.

A. Piece Work plan
B. Rowan plan
C. Halsey plan

**Q.5** **Calculate the Machine hour Rate of a Machine** **(14)**

| | |
|---|---|
| Consumable stores | Rs.600 for A machine |
| Consumable stores | 1,000 for B machine |
| Repairs | 800 for A machine |
| Repairs | 1200 for B machine |
| Heat and light | 360 |

| | |
|---|---|
| Rent | 1,200 |
| Insurance of billing | 4800 |
| Insurance of machines | 800 |
| Depericiation of machines | 700 |
| Room service | 60 |
| General charges | 90 |

**Additional Information:**

| | Working Hours | Area | Book value |
|---|---|---|---|
| A Machine | 10,000 | 100 | 12,000 |
| B Machine | 25,000 | 500 | 20,000 |

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| **Course** | : Diploma in Advance Cost Accounting **(DACA)** | **Numerical Code: 0025** |
| **Subject** | : Various Forms of Costing **(DACA-02)** | **Roll No.:____________** |
| **Date** | : **28/01/2016** | **Numerical Code: 0164** |
| **Time** | : **03.00 to 06.00** | **Total Marks : 70** |

**Q.1** Discuss Commonly- used methods for allocating joint processing costs. **(14)**

**OR**

Write a note on:
1. Batch costing
2. Contract costing

**Q.2** Write a short note on: **(14)**
1. Weighted Average Cost method
2. Fifo method

**OR**

Discuss the process Accounts/ production Cost report

**Q.3** From the following production record of purab ltd. Prepare a statement of equivalent units. **(14)**

| | |
|---|---|
| Units in process-opening | 2,000 |
| Stage of Completion (%) material | 100 |
| Labour | 60 |
| Overheads | 50 |
| New units introduced | 20,000 |
| | 18,000 |
| Units in process closing | 4,000 |
| Stage of Completion material | 100 |
| labour | 50 |
| Overheads | 40 |

**OR**

From the following particulars make out a weekly cost sheet showing profit on the main product of Ravi petroleum ltd.

| | |
|---|---|
| Crude oil used | 5,00,000 liters @ Rs.0.50 |
| Petrol produced | 1,50,000 liters Rs.2.50 |
| (main product) | |
| By Products | |
| 1. Lubricating oil producted | 50,000 liters Rs.2.00 |
| 2. Fuel oil producted | 2,50,000 liters Rs.1.00 |
| 3. Kerosene producted | 30,000 liters Rs.0.80 |
| Rawmaterial Consumed | 48,000 |
| Wages paid | 1,20,000 |
| Repairs and renewals | 86,000 |
| Salaries and general charges | 50,000 |

Show the percentage of each product to the weight of crude oil used.

**Q.4** From the following data calculate the cost per km of a vehicle for Abc transport ltd. **(14)**

| | Rs. |
|---|---|
| Value of vehicle | 15,000 |
| Road license for the year | 500 |
| Insurance Charges per year | 100 |
| Garage rent per year | 600 |
| Drive's wages per month | 200 |
| Cost of petrol per liter | 0.80 |
| Profetional Charge for Type And maintenance per km Estimated life(kms) 150000 | 0.20 |
| Estimated Annual mileage (kms 6000 petrol Consumption (kms/ liter) | 8 |

**OR**

Abc Company is running four buses between two towns, 50 kms apart, seating Capacity of each bus is 40 paassengers. The following particulars were obtained from their books

| | Rs. | Rs. |
|---|---|---|
| Wages of drivers | | 2,400 |
| Salaries of office and supervisory stuff | 4000 | 1,000 |
| Disel and other oil | 800 | |
| Repairs and Maintanance | 1600 | |
| Taxation and insurance | 2,600 | |
| Depreciation | 2,000 | |
| Interest and other charges | | 14,400 |

Actual passengers carried were 75% of the full capacities. All the four buses run on all days of the month find out cost per passenges km.

Q.5 Complete a Conservative estimate of profit on Contract of Abc ltd. Which has been 80 percent Complete from the following particulars Illustrate your methods of compating the profit. **(14)**

| | Rs. |
|---|---|
| Total expenditure to date | 1,70,000 |
| Estimated further expenditure | 34,000 |
| To Complete the contract (including | |
| contingencies) Contract price | 3,06,000 |
| Work Certified | 2,00,000 |
| Work not certified | 17,000 |
| Cash received | 1,63,000 |

**OR**

Abc ltd. Is manufacturing building bricks and fire bricks Both the products require two processes Brick Forming and Heat- treating time requirements for the two bricks are:

| | Building bricks | fire bricks |
|---|---|---|
| Forming per 100 bricks | 3 | 2 |
| Heat- treatment per 100 bricks | 2 | 5 |

Total costs of the two departments in one month were forming Rs. 21,200: Heat treatment Rs. 48,800 production during the month was Building bricks 1,30,000; fire bricks 70,000 prepare a statement of Manufacturing costs for the two varieties of bricks.

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| **Course** | : Diploma in Advanced Cost Accounting **(DACA)** | **Numerical Code: 0025** |
| **Subject** | : Managerial Cost Accounting **(DACA-03)** | **Numerical Code: 0165** |
| **Date** | : **29/01/2016** | |
| **Time** | : **11.00 to 02.00** | **Roll No:___________** |
| **N.B.** | : All Questions carry equal Marks | **Total Marks : 70** |

**Q.1** A Company manufacturing a single article sells it at Rs.10 per unit. The variable coat is Rs. 6 per unit and fixed cost is Rs. 4000 per annum. **(14)**

Calculate : (1) P / V Ratio
(2) Break-even sales
(3) The margin of safety if total sales are Rs. 15,000
(4) The sales required to earn a profit of Rs. 5,000

**OR**

The Budget officer of sanjay Ltd. Has prepared budget for the incoming year and the following information is available from it.

| | Rs. |
|---|---|
| Sales (1,00,000 units ) | 1,00,000 |
| Variable expenses | 40,000 |
| Fixed expenses | 50,000 |

From the above mentioned information find out :

1. P / V Ratio
2. Break-even point
3. The margin of safety
4. New P/V ratio when increase of 5% in variable cost

**Q.2** Explain Make or Buy decision in decision making. **(14)**

**OR**

Surya Ltd. decides to effect a 10% reduction in the price of its product because it is felt that such a step may lead to a greater volume of sales.

It is anticipated that there are no prospects of a change in total fixed costs and variable costs per unit. The directors wish to maintain net profits at the present level.

The following information has been obtained from its books :

| | |
|---|---|
| Sales (5,000 units ) | Rs. 1,00,000 |
| Variable costs | Rs. 15 per unit |
| Fixed costs | Rs. 20,000 |

How would management proceed to implement this decision?

**Q.3** Briefly describe types of budget. **(14)**

**OR**

From the following information, prepare a monthly cash budget for bharat Ltd. For 3 months ending $31^{st}$ December :

1. Revenue is expected to be Rs. 80,000, Rs. 90,000,and Rs.90,000 in the three months.
2. Purchases for September , October, November and December are likely to be Rs. 60,000, Rs.40,000 , Rs 50,000 and Rs. 70,000 respectively. 50% is paid in next month.
3. Rent per month is Rs. 2,000 and personal withdrawal Rs.4,000.
4. Rs. 20,000 is expected to be outflows towards purchase of a machine in the month of December.
5. Cash expenses are Rs.10,000 for each month
6. Present cash balance is Rs. 30,000

**Q.4** Pass Journal entries relating to the following transactions presuming that the concern is following integral system of accounting for Raj Ltd. **(14)**

1. Sales for the period were Rs. 5,10,000 as compared to the budgeted sales of Rs. 5,00,000.
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 overhead amounted to Rs. 76,000 as compared to standard cost of Rs. 75,000.

**OR**

A company keeps its account as per integrated accounting system. Journalize the following Transaction for june 2008 and also prepare factory overheads account :

| | | |
|---|---|---|
| 1. | Factory expenses paid | 24,000 |
| 2. | Depreciation of Factory | 4,800 |
| 3. | Material issued for repairs | 3,000 |
| 4. | Indirect wages allocated | 8,000 |
| 5. | Recovery of factory overheads | 38,000 |

**Q.5** Describe the various types of Responsibility centres. **(14)**

**OR**

Write in detail about uniform costing

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**Course** : Diploma in Advanced Cost Accounting **(DACA)** **Numerical Code: 0025**
**Roll No:**_____________
**Subject** : Variance Analysis (**DACA-04)** **Numerical Code: 0166**
**Date** : **29/01/2016** **Time : 3.00 to 6.00**
**N.B.** : All Questions carry equal Marks **Total Marks : 70**

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**Q.1** Discuss the components of standard cost. **(14)**

**OR**

Write a short note on :
(A) MPV ( Material price variance )
(B) MUV (Material usage / quantity Variance )

**Q.2** Write a Short note on : **(14)**
(A) Mmsv - Material mix subvariance
(B) Mysv - Material yield sub variance.

**OR**

Write a short note on profit variances

**Q.3** Write a short note on fixed factory overhead variance. **(14)**

**OR**

Write a short note on sales-variances revenue variances

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**Q.4** Following information is obtained from the cost accounts of ABC Ltd.calculate Fixed overhead variances on the basis of this information . **(14)**

| | Standard | Actual |
|---|---|---|
| Hours during a month | 3,000hrs | 3,270 hrs |
| Days in each month | 25days | 27days |
| Monthly fixed overhead | Rs.1,500 | Rs.1,600 |
| Monthly Production | 2000units | 2,200 units |

**OR**

Figures of salse by Mona Ltd in march 2001 are as follous.

| | | Standard Price | | Actual Price | |
|---|---|---|---|---|---|
| | | Amount | Quantity | | Amount |
| Quantity | 3 | 2,400 | 750 | 3.5 | 2,625 |
| Units | 5 | 1,000 | 450 | 4.0 | 1,800 |
| | | 3,400 | 1,200 | | 4,425 |

Calculate sales variance

**Q.5** The following information is available from the records of XYZ Ltd. **(14)**

| | Budget | Actual |
|---|---|---|
| Fixed overhead for june | 10,000 | 12,000 |
| Production in june (units) | 2,000 | 2,100 |
| Standard time per unit | 10 | |
| Actual hrs worked In june | | 22,000 |

Compute :

1. Fixed overhead cost variance
2. Expenditure variance
3. Volume variance
4. Capacity variance
5. Efficiency variance

**OR**

The standard cost of a certain chemical mixture for XYZ Ltd. is 35% material A at Rs per Kg. 65% material B at Rs. 36 per Kg. A standard loss of 5% is expected in production.

Daring a period there is used :
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

(A) Material cost Variance
(B) Material price Variance
(C) Material mix variance
(D) Material yield variance