

Dr. Babasaheb Ambedkar Open University
Term End Examination July - 2012

Course : Diploma in Advance Cost Accounting (DACA)
Roll No : _____
Subject : Basic of Cost Accounting (DACA-01)
Date : 07/07/2012
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) Shut down costs.
- (2) Concept of trial and error.
- (3) Rowan plan for wage incentives.
- (4) "Labour Turnover".

Q.2 (14)

Following information is available in respect of consumption of material in a factory. (14)

| | |
|---------------------|-------------------|
| Normal Consumption | 100 units per day |
| Minimum Consumption | 60 units per day |
| Maximum Consumption | 130 units per day |
| Ordering Quantity | 5000 units |
| Re-order period | 25 to 30 days |

Define Maximum level, Minimum level and ordering level.

OR

The material cost of production is Rs. 250 and the factory overheads are recovered at 50% of the total direct wages. Calculate the factory cost of a product as under:

1. The Hasley paln.
2. The Rowan plan.

A worker B allowed 160 hours for executing a piece of work, which he completes within 120 hours. He is paid at the rate of Rs. 2 per hour.

Q.3 The following information has been obtained from the production department of a factory. (14)

1. Workers as on 1/01/2012: 760
2. Number of workers who left factory in January : 160
3. Total appointments made in January: 240
4. Appointments made against new posts: 80

Calculate the labor turnover rate by Joint Method.

OR

Explain the difference between direct cost and indirect cost with illustration.

- Q.4** Asmita Co. is having four departments: A,B,C are production departments and D is a service department. The cost for a period of one month are:

| | Rs. | | Rs. |
|-------------------|------------|---------------------|------------|
| Indirect expenses | 2000 | Depreciation | 1800 |
| Rent | 4400 | Supervision charges | 6000 |
| Plants repairs | 2400 | power | 1800 |

The following additional data is also available in respect of above four departments.

| Particulars | A | B | C | D |
|------------------------------|----------|----------|----------|----------|
| Area Occupied(Square feet) | 250 | 150 | 100 | 50 |
| Number of workers | 24 | 16 | 12 | 08 |
| Value of plant(in rupees) | 24000 | 18000 | 12000 | 6000 |
| Direct wages (in rupees) | 8000 | 6000 | 4000 | 2000 |
| Actual power used(in rupees) | 800 | 400 | 400 | 200 |

Apportion the costs to the various departments on the appropriate basis. **(14)**

OR

What is meant by over absorption of overheads and under absorption of overheads and how it can disposed off in books of accounts.

- Q.5** Explain the concept of controllable and uncontrollable cost. **(14)**

OR

Explain the basic procedure for material handling in an organization.

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Course : Diploma in Advance Cost Accounting (DACA)

Roll No : _____

Subject : Various forms of costing (DACA-02)

Date : 07/07/2012

Time : 03.00 to 06.00

N.B. :

Total Marks : 70

Q.1 Write Short Notes (Any Two)

(18)

1. Importance of Job Costing.
2. Weighted Average Cost Method.
3. Operating Costing.
4. Single or output costing.

Q.2 The following information regarding No.101 Job is taken from cost Accounts of an Engineering factory. **(17)**

Materials: Rs. 24,060

Labour: Department A 60 hours Rs. 18 per hour

Department B 40 hours Rs. 12 per hour

The overhead expenses regarding above three departments are estimated as under:

Variable Overheads:

Department A Rs. 30,000 for 5000 labor hours

Department B Rs. 18,000 for 1500 labor hours

Fixed overheads Rs. 80,000 for 10,000 general working hours.

Calculate total cost of Job No 101.

OR

Q.2 On 1st January 2011 a contractor undertook a contract for building a road which was completed on 30th Sept, 2011. The following information is available in respect of contract.

| | Rs. |
|--------------------------------------|--------|
| Materials directly purchased | 23,000 |
| Materials supplied from stores | 6,000 |
| Materials returned to stored | 1,000 |
| Direct Wages | 24,000 |
| Direct Expenses relating to contract | 2,000 |
| Contract Price | 75,000 |
| Work Overhead: 25% on direct wages | |
| Office Overhead: 10% on works cost | |

Prepare the contract Account.

Q.3 Dev Transport Co. is running one bus between two cities which are 50 kms apart. Seating capacity of the bus is 40 passengers. From the following particulars find out cost per passenger kilometer. **(18)**

| | |
|----------------------|----------|
| Total fixed expenses | Rs. 7000 |
| Diesel expenses | Rs. 5000 |
| Depreciation | Rs. 1400 |
| Repairing expenses | Rs. 1000 |

Actual passengers carried were 75% of the seating capacity. Buses run on all the days of the month. Bus makes four round trips per day.

OR

A product passes through three distinct processes to completion. The following information is obtained.

| | Process I (Rs.) | Process II (Rs.) | Process III (Rs.) |
|-----------------|--------------------|---------------------|----------------------|
| Material | 30,000 | 15,000 | 10,000 |
| Labour | 25,000 | 20,000 | 25,000 |
| Direct Expenses | 5000 | 1000 | 5000 |

The indirect expenses for the period were Rs. 14,000 apportioned to the processes on the basis of wages.

No work in progress or process stocks existed at the close of the work.

You are required to prepare process Accounts showing total cost per unit in each process.

Q.4 From the following information prepare a cost sheet and find out cost per unit. **(17)**

| | |
|------------------------------|------------------|
| Raw Materials | Rs. 30,000 |
| Direct labor | Rs. 18000 |
| Machine-hours worked | 1800 |
| Machine-hour rate | 10 |
| Administrative overheads | 20% on work cost |
| Selling overheads per unit | Rs. 1.00 |
| Units produced | 34400 |
| Units sold at Rs. 8 per unit | 32000 |

OR

Explain the following Terms:

1. Work in Process.
2. Estimated Profit.
3. Miscellaneous Income Method.

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Course : Diploma in Advanced Cost Accounting (**DACA**)
Roll No : _____
Subject : Managerial Cost Accounting (**DACA-03**)
Date : **09/07/2012**
Time : **11.00 to 2.00**
N.B. : All Questions carry equal Marks **Total Marks : 70**

Q.1 Explain the meaning, need, purpose and advantages of Inter-firm comparisons. **(14)**

OR

Explain the concept of uniform costing and its advantages and disadvantages.

Q.2 A company keeps its accounts as per integrated accounting system. Journalize the following transactions for March, 2010 and prepare factory overhead account. **(14)**

| | Rs. |
|---------------------------------|--------|
| 1. Factory Expenses paid | 12,000 |
| 2. Depreciation of Factory | 2400 |
| 3. Materials issued for repairs | 1500 |
| 4. Indirect wages allocated | 4,000 |
| 5. Recovery of factory Overhead | 19,000 |

OR

A company operates integrated Accounting system. Journalize the following transactions March, 2010.

| | Rs. |
|----------------------------------|--------|
| 1. Material Issued to Production | 22,000 |
| 2. Material Purchase(on credit) | 30,000 |
| 3. Indirect Material issued | 3,000 |
| 4. Material returned to supplier | 5,000 |
| 5. Purchase for special job | 5,000 |
| 6. Normal wastage of material | 500 |
| 7. Abnormal wastage of material | 800 |

Q.3 From the following data calculate **(14)**

1. P/V ratio
2. Profit when sales are Rs. 20,000

3. New break even point if selling price is reduced by 20%

Fixed expenses Rs.4000

Break even point Rs. 10,000

OR

From the following particulars calculate the sales required to earn a profit at Rs. 1,29,660

Sales Rs. 6,00,000

Variable cost Rs. 3,75,000

Fixed Cost Rs. 1,80,000

Q.4 Describe the meaning and objectives of different responsibility centers. **(14)**

OR

Explain make or Buy decision in decision making.

Q.5 Write short note(Any Two) **(14)**

1. Operating budgets.

2. Sunk Cost.

3. Flexible budgets.

4. Objective of budgeting.

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Course : Diploma in Advanced Cost Accounting (DACA)
Roll No : _____
Subject : Variance Analysis (DACA-04)
Date : 09/07/2012
Time : 3.00 to 6.00
N.B. : All Questions carry equal Marks **Total Marks : 70**

- Q.1** State the meaning of standards and factors to be kept in mind while setting standards. (14)

OR

State the procedure to reconcile budgeted profits with actual profits.

- Q.2** Dev Ltd. Has implemented standard costing. The standard of usage fixed for production of 2000 units of a product is 800 k.g. at a price of Rs. 5 per k.g. When 4000 units were manufactured, it was found that 1640 kgs of materials were used at Rs. 5.20 per k.g. Calculate Material Variance. (14)

OR

Write short note on material variance.

- Q.3** The data regarding labor cost of production in March, 2012 in a factory are as follows: (14)

Actual direct wages paid: Rs. 26,240

Standard wage rate per hour: Rs. 3.00

Standard hours: 8640

Actual hours: 8200

Calculate Labor Cost Variance.

OR

Write short note on labor cost variances.

- Q.4** Write short note on Overhead variances. (14)

OR

Write short note on variance reporting.

- Q.5** Calculate Sales Variances (14)

Standard

| | <u>Quantity</u> | <u>Price Rs.</u> | <u>Amount Rs.</u> |
|---|-----------------|------------------|-------------------|
| A | 1600 | 3 | 4800 |
| B | 400 | 5 | 2000 |

Actual

| | <u>Quantity</u> | <u>Price Rs.</u> | <u>Amount Rs.</u> |
|---|------------------------|-------------------------|--------------------------|
| A | 1500 | 3.50 | 5250 |
| B | 900 | 4.00 | 3600 |

OR

The budgeted production is 4000 units in P Ltd in March, 2012. And the budgeted variable overhead is Rs. 10,000. Actual production was 2200 units. While actual variable overhead amounted to Rs. 10,800.

Calculate Variable Overhead Variance.
