

Seat No. : \_\_\_\_\_

**MK-110**

**May-2022**

**Int. MBA, Sem.-II**

**Fundamentals of Cost Accounting**

**Time : 2 Hours]**

**[Max. Marks : 50**

- Instructions :**
- (1) All questions in **Section – I** carry equal marks. Any **THREE** questions in **Section – I**.
  - (2) All sub-questions in **Section – II** carry equal marks. Attempt any **FOUR** sub-questions in **Section – II**.
  - (3) Show necessary calculations as a part of the answer in both the sections.
  - (4) Use of non-scientific calculator is allowed.

**SECTION – I**

Attempt any **three** questions out of **five** questions.

1. The following is a summary of receipts and issues of Material “A” in a factory during March, 2022 :

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Date	Particulars	Quantity (kgs)	Amount (₹)
01-03-2022	Opening Balance	500	10,000
04-03-2022	Purchase	3,500	63,000
09-03-2022	Purchase	2,000	44,000
14-03-2022	Issued	2,400	—
16-03-2022	Purchase	400	10,000
20-03-2022	Issued	2,000	—
22-03-2022	Purchase	2,000	30,400
28-03-2022	Issued	3,000	—

Prepare Stock Register for material as per following method :

- (1) LIFO Method
  - (2) Weighted Average method
2. (A) Information of a factory for specific month :
- Actual production 1,500 units in 200 hours.
- Per hour wage rate ₹ 15
- Standard time for production (per unit) 10 minutes
- Calculate wages as per :
- (1) Piece wage plan
  - (2) Time wage plan
  - (3) Halsey wage plan
  - (4) Rowan wage plan

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- (B) From the following information of Naman Ltd., Calculate labour turnover rate on the basis of :

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- (1) Separation method
- (2) Replacement method (on the basis of newly appointed workers)
- (3) Flux method
- (4) Equivalent Annual turnover rate by all the three methods

Number of workers at the beginning of the year	7,600
Number of workers at the end of the year	8,400
Number of workers resigned during the year	80
Number of workers retired during the year	320
Number of workers newly appointed during the year	1,500
(Of which 300 workers were taken under the expansion plan)	

3. Kanira Ltd. has produced and sold 1000 units at 50% capacity during the year 2022. The costing details for 31-12-2022 are as under :

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Particulars	Amt. (₹)
Materials	5,00,000
Direct wages	3,00,000
Direct expenses	1,00,000
Factory overheads (50% variable)	2,00,000
Office overheads (fixed)	1,50,000
Selling-distribution overheads (40% variable)	1,00,000
Sales	16,20,000

Estimate for the year 2023 are as under :

- (1) Output will be at its full production capacity of which 80% units will be sold.
- (2) Cost of raw materials and wages per unit will increase by 20% and 10% respectively.
- (3) Fixed expenses will increase as under:  
Factory : ₹ 50,000 Office: ₹ 40,000 Selling-distribution: ₹ 20,000
- (4) Variable selling expenses will increase by 25% per unit.
- (5) Profit on cost will remain unchanged.

Prepare :

- (1) Statement of cost showing total as well as per unit cost for the year 2022
- (2) A statement of Estimated Cost Sheet for the year 2023.

4. A product is obtained after it passes through three distinct processes. The following information is obtained from the accounts for the month ending January, 2022.

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	Crushing (Process 1) ₹	Refining (Process 2) ₹	Finishing (Process 3) ₹
Direct Materials	2,000	3,020	3,462
Direct wages	3,500	4,226	5,000
Production Overheads	1,500	2,000	2,500

1,000 units of materials were introduced in Crushing (Process 1) at ₹ 5 each.

	<b>Crushing (Process 1)</b>	<b>Refining (Process 2)</b>	<b>Finishing (Process 3)</b>
Normal Wastage	10%	5%	10%
Sale price of wastage (per unit)	₹ 3	₹ 5	₹ 6
Actual Production (in units)	920	870	800

There is no unfinished work-in-process.

Prepare the necessary Process Accounts and Abnormal Loss Account and Abnormal Gain Account.

5. The balance in Cost Ledger of a manufacturing company on April 1, 2021 were : 14

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Store Ledger Control Account	5,250
Work-in-Progress Ledger Control Account	9,600
Finished Stock Ledger Control Account	1,500
Cost Ledger Control Account (credit balance)	16,350
You are given the following information for the year :	
Purchase of materials	30,000
Direct factory wages	45,000
Manufacturing Expenses	25,950
Selling and Distribution expenses	4,050
Materials issued to production	27,900
Manufacturing expenses recovered	25,830
Selling and distribution expenses recovered	3,990
Sales	1,12,500
Stock of materials at March 31, 2022	7,350
Stock of finished goods at March 31, 2022	3,525
Work-in-progress at March 31, 2022	11,025

You are required to show the accounts in the Cost Ledger for the year 2021 -22, to prepare the Costing Profit and Loss Account for the year and extract a trial balance.

### SECTION – II

6. Attempt any **four** sub-questions out of **five** sub-questions. 8
- Re-order period : 4 to 8 weeks, Re-ordering level: 20,000 units, then what will be the maximum consumption ?
 

(A) 2,000 units	(B) 2,500 units
(C) 3,000 units	(D) 5,000 units
  - The Standard time for a particular job is 10 hours, Actual time taken is 8 hours, Wage rate per hour 50, Direct material cost ₹ 200 and Factory overheads is recovered at 80% of direct wages. Calculate Factory cost according to Halsey plan.
 

(A) 1,110	(B) 1,030	(C) 1,010	(D) 2,010
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3. The following details are given for Job No: 999  
 Direct Materials ₹ 45,200  
 Direct Labour ₹ 32,000  
 Work expenses 40% on labour.  
 Other expenses 20% on work cost  
 The tender price should include 10% profit on selling price. What would be the tender price of Job No 999 ?  
 (A) 12,000 (B) 1,81,800 (C) 1,20,000 (D) 1,18,800
4. A transport service company is running 10 buses between Hubli and Dharwad. The distance from Hubli to Dharwad is 25 kms. Seating capacity of bus is 50 passengers. Actual passengers carried were 75% of the seating capacity. All the buses ran on all days of the month. Each bus made one round trip per day. Find out the cost per passenger-km.  
 (A) 5,62,500 passenger km (B) 5,62,600 passenger km  
 (C) 6,65,700 passenger km (D) 6,67,400 passenger km
5. The FY Company Ltd., uses integrated accounting. Pass necessary journal entries for following transactions.
- (i) Materials purchased ₹ 10,000  
 (ii) Material worth ₹ 15,000 purchased for a specific job from Nareshbhai.
- (A) Stores ledger control A/c Dr. 10,000  
       To Cash A/c 10,000  
 Work-in-progress ledger control A/c Dr. 15,000  
       To Nareshbhai A/c 15,000
- (B) Stores ledger control A/c Dr. 10,000  
       To General Ledger Adjustment A/c 10,000  
 Work-in-progress ledger control A/c Dr. 15,000  
       To General Ledger Adjustment A/c 15,000
- (C) Stores ledger control A/c Dr. 10,000  
       To General Ledger Adjustment A/c 10,000  
 Stores ledger control A/c Dr. 15,000  
       To General Ledger Adjustment A/c 15,000
- (D) Purchase A/c Dr. 10,000  
       To cash A/c 10,000  
 Purchase A/c Dr. 15,000  
       To Nareshbhai A/c 15,000