

Seat No. : _____

AF-112

April-2023

Int. M.B.A., Sem.-II

Fundamentals of Cost Accounting

Time : 2½ Hours]

[Max. Marks : 70

- Instructions :** (1) Show necessary calculations as the part of your answer.
(2) Use of non-scientific calculator is allowed.

1. What are the branches of accounting ? How Cost accounting is useful ? What are its limitations ? 14

OR

The following is a summary of receipts and issues of Material “Z” in a factory during March, 2023 : 14

Date	Particulars	Quantity (Kg.)	Total Amount
01-03-2023	Opening Balance	500	10,000
05-03-2023	Purchased	3,500	63,000
08-03-2023	Purchased	2,000	44,000
13-03-2023	Issued	2,400	—
15-03-2023	Purchased	400	10,000
19-03-2023	Issued	2,000	—
20-03-2023	Purchased	2,000	30,400
25-03-2023	Issued	3,000	—

The material issued on 13-03-2023 and 19-03-2023 were priced on 'FIFO' and 'LIFO' respectively. It was decided to price the issues by “Weighted Average Method” from 20-03-2023.

Prepare stock Register for material.

2. Mr. Manoj has taken 20 hours to complete a job. He is paid ₹ 800 per hour for this job. 14
If he has received ₹ 19,200 as total wages according to Rowan Plan, what would be the amount of wages earned by him according to :
- (1) Halsey plan
 - (2) Halsey-wier plan
 - (3) Piece rate
 - (4) Time rate

OR

- (A) Write a note on : 7
- (1) Idle time
- (2) Labour turnover
- (B) Write a detailed note on classification of overheads. 7

3. What is job costing ? What is batch costing ? What are the differences between them ? 14

OR

The following details are available from the books of Justin Ltd. for the year ended 31st March 2023. Prepare a cost sheet showing clearly the cost per unit under various elements, direct and indirect cost and also the profit/ loss per unit : 14

	₹
Direct material	16,800
Direct labour	3,500
Depreciation - factory building	105
Branch office expenses	280
Depreciation - office building	56
Depreciation - Staff cars	10.5
Insurance - staff cars	84
Insurance - Office building	8.4
Insurance - factory building	10.5
Delivery van maintenance expenses	70
Salaries including sales manager (₹ 175) and Factory chief engineer (₹ 175)	2,100
Finished goods warehouse expenses	140
Electricity including ₹ 28 for administrative office	280
Advertisements	140
Sundry factory expenses	2,380
Sales promotion expenses	35
Office administration expenses	350
Expenses for participating in industrial fair	70
Sales	29,400
Unit produced and sold	10,000

4. Aayushyam Health care centre runs an ICU. For this purpose, it has hired a building at a rent of ₹ 75,000 per month with the understanding that it would bear the repairs and maintenance charges also. The hospital consists of 25 beds and 5 more beds can be comfortably accommodated when the occasion demands. 14

The permanent staff attached to the hospital is as follows :

2 Supervisors : each at a salary of ₹ 7,500 per month

4 Nurses : each at a salary of ₹ 4,500 per month

2 Ward Boys : each at a salary of ₹ 2,250 per month

The hospital was open for all the 365 days in a year, following other information is available :

- (1) For 120 days in a year, the hospital had the full capacity of 25 patients per day.
- (2) Another 80 days, it had on an average only 20 beds occupied per day.
- (3) But, there were occasions when the beds were full, extra 5 beds were occupied for 80 days.

Other expenses were as under :

- | | |
|---|--------------------|
| (1) Hire charges for extra beds | : ₹ 30,000 [Total] |
| (2) Fees for visiting doctors for entire year | : ₹ 18,00,000 |
| (3) Repairs and maintenance | : ₹ 54,000 |
| (4) Food supplied to patients | : ₹ 6,60,000 |
| (5) Expenses of other services to patients | : ₹ 1,80,000 |
| (6) Laundry expenses | : ₹ 4,20,000 |
| (7) Medical supplied | : ₹ 5,25,000 |
| (8) Cost of oxygen. X-ray, ECG, etc. | : ₹ 8,10,000 |
| (9) General Admin charges | : ₹ 7,48,500 |

If hospital recovered an overall amount of ₹ 1,500 per day on an average from each patient, what is the profit/ loss per patient day made by the hospital during the year ?

OR

A product passes through three processes before it is transferred to finished stock. From the following information, prepare process accounts and other necessary accounts. Calculate cost per unit at the end of each process.

14

Particulars	Process I	Process II	Process III
Material introduced [at ₹ 3.50 per unit]	₹ 52,500	–	–
Actual output (units)	4,900	4,500	4,250
Normal wastage (percentage of units introduced)	2%	5%	7%
Selling price of wastage (₹/ unit)	2	4	8
Expenses (₹) :			
Other material	45,000	15,000	9,000
Direct wages	60,000	75,000	90,000
Direct expenses	7,500	8,340	10,710
Indirect expenses	1,500	834	535.5

5. Give reasons for disagreement between the profit as shown by Cost Accounts and that shown by Financial Accounts.

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