

Indian Maritime University

BBA (LRE)

UG31T2402

Cost & Management Accounting – I

70 Marks

Pass Marks – 35

Duration – 03 Hours

Date – 03.06.2022

June 2022 End Semester Examinations

Part A – 10 MCQs (10 X 01 Mark)

1. Basic objective of Cost Accounting is

- (a) Tax Compliance
- (b) Financial Audit
- (c) Cost Ascertainment
- (d) All of the Above

2. Factory Overhead is also termed as Manufacturing Overhead or

- (a) Office Overhead
- (b) Selling Overhead
- (c) Distribution Overhead
- (d) Production Overhead

3. ABC analysis is

- (a) Always better control
- (b) Advantage of better control
- (c) At best control
- (d) None of the above

4. Bonus under Halsey plan is paid

- (a) At 100% of Time saved
- (b) At 75% of Time saved
- (c) At 80% of Time saved

(d) At 50% of Time Saved

5. Calculate the prime cost from the following information:

Direct material purchased: Rs. 1,00,000

Direct material consumed: Rs. 90,000

Direct labour: Rs. 60,000

Direct expenses: Rs. 20,000

Manufacturing overheads: Rs. 30,000

(a) Rs. 1,80,000

(b) Rs. 2,00,000

(c) Rs. 2,70,000

(d) Rs. 2,10,000

6. Which one out of the following is not an inventory valuation method?

(a) FIFO

(b) LIFO

(c) Weighted Average

(d) EOQ

7. What is tender?

(a) Estimation of cost

(b) Estimation of profit

(c) Estimation of units

(d) Estimation of the selling price

8. Comprehensive machine hour includes

(a) Operator's Wages

(b) Director Salary

(c) Corporate Tax

(d) Office Rent

9. Comparing Rowan Plan and Halsey Plan, it is seen that when the time is saved by 50% of the Standard time _____

(a) Rowan plan allows more wages to a worker than Halsey plan

(b) Rowan plan allows less wages to a worker than Halsey plan

(c) Rowan and Halsey plan allow equal wages to a worker

(d) Rowan plan and Halsey plan are equal to ordinary time wage

10. The store keeper should initiate a purchase requisition when stock reaches

(a) Average stock level

(b) Minimum stock level

(c) Maximum stock level

(d) Re-order level

Part B – 5 Short Questions (05 X 02 Marks)

11. State the Objectives of Cost Accounting.

12. Prepare a Cost Sheet from the following:

Direct Wages – Rs. 50,000

Direct Wages – Rs. 15,000

Factory Expenses – Rs. 5,000

Office Expenses – Rs. 1,000

Selling Expenses – Rs. 500

13. Calculate EOQ,

Annual Requirement – 10,800 Kgs

Cost of purchasing and receiving one order – Rs. 1,000

Annual Carrying Cost -Rs. 20

14. Calculate the total earnings of worker under Halsey Plan:

Standard Time – 30 Hours

Time Taken – 20 Hours

Hourly rate of wages is Rs. 1 per hour plus dearness allowance @ Rs. 0.50 per hour worked.

15. Calculate Machine Hour Rate:

Total Production – 200 Units

Production Overhead – Rs. 40,000

Machine Hours – 10,000 Hours

Part C – 7 Long Questions-Answer Any 5 (05 X 10 Marks)

16. The accounts of a machine manufacturing company disclose the following information for six months ending 31st December 2021.

Materials Used – Rs. 1,50,000

Direct Wages – Rs. 1,20,000

Factory Overhead – Rs. 30,000

Administrative Expenses – Rs. 15,000

Prepare Cost Sheet for the half year and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at Rs. 1,250 and expenditure in productive wages Rs. 750, so that the price might yield a profit of 20% on the selling price.

17. From the following Information, Calculate:

- (a) Maximum Stock Level
- (b) Minimum Stock Level
- (c) Reorder Level
- (d) Average Stock level

Minimum Consumption – 240 Units Per Day

Maximum Consumption – 420 Units Per Day

Normal Consumption – 300 Units Per Day

Reorder Quantity – 3,600 Units

Reorder Period – 10 to 15 Days

Normal Reorder Period – 12 Days

18. X Ltd., has purchased and issued the materials in the following order:

Jan 1995

1 Purchased 300 Units @ Rs. 5 Per Unit

4 Purchased 600 Units @ Rs. 4 Per Unit

6 Issued 500 Units

10 Purchased 700 Units @ Rs. 5 Per Unit

Ascertain the closing stock as on 31-03-2021 under LIFO Method

19. Calculate the Earnings of A and B under Halsey Plan and Rowan Plan:

Standard Time – 10 Hours

Time Rate – Rs. 1 Per Hour

Time Taken – 9 Hours by A; 8 Hours by B

20. Workout the Machine Hour Rate:

a) Cost of Machine – Rs. 3,60,000

b) Freight and Installation – Rs. 40,000

c) Working Life – 20 Year

d) Working Hours – 8,000 Per Year

e) Repair Charges – 50% of Depreciation

f) Power – 10 Units Per Hour @ 10 Paise Per Unit

g) Lubricating Oil @ Rs. 2 Per Day of 8 Hours

h) Consumable Stores @ Rs. 10 Per Day of 8 Hours

i) Wages of Operator @ Rs. 4 Per Day

21. List out the limitations and Classification of Cost Accounting.

22. Briefly explain Time Rate System, Piece Rate System, Taylor and Merrick's Differential Piece Rate System.