



- 8) Write the suitable basis for the apportionment of the following overheads :
- Sundry expenses
 - Lighting
 - Electric Power
 - Depreciation on Machinery.

SECTION – B

II. Answer **any four** of the following questions.

(4×5=20)

- 9) Write a note on classification of cost by behaviour with examples.
- 10) Briefly explain the techniques of cost accounting.
- 11) Calculate Reorder Level, Minimum Level, Maximum Level and Average Stock Level from the following data :
- Maximum consumption – 420 units/day
Minimum consumption – 240 units/day
Re-order quantity – 3,600 units
Re-order period – 10 to 15 days.
- 12) Enter the following transactions in stores ledger account applying Weighted Average Method of pricing out issues :
- | | |
|-----------|---|
| August 1 | Opening balance 50 units at Rs. 3 per unit |
| August 5 | Issued out to production 2 units |
| August 7 | Purchased 48 units at Rs. 4 per unit |
| August 9 | Issued out 20 units to production |
| August 19 | Purchased 76 units at Rs. 3 per unit |
| August 24 | Received back into stores 19 units out of 20 units issued on 9 th August |
| August 27 | Issued to production 10 units. |



- 13) Using the following data calculate the total remuneration payable to a worker under Halsey and Rowan plan :
Standard time – 48 hours
Time taken – 42 hours
Time rate – Rs. 60/hour.

- 14) From the following information find out machine hour rate for Machine no. 82. Cost of machine – Rs. 11,000, Scrap value – Rs. 680, Repairs for working life – Rs. 1,500, Standing charges for 4 weeks – Rs. 1,600, Effective working life 10,000 hours. Power – 6 units per hour at the rate of Rs. 2.75 per unit. Operating hours during 4 weeks 120 hrs.

SECTION – C

III. Answer **any two** of the following questions. (2×15=30)

15) Samskrithi Ltd. furnishes the following information for the month of September 2021.

	Rs.
Stock on September 01, 2021	25,000
Materials	24,000
Work-in-Progress	16,000
Finished stock – 4000 units	28,200
Stock on September 31, 2021	?
Work-in-Progress	85,000
Finished stock – 5,000 units	96,000
Purchases	19,000
Direct wages	
Factory supplies	

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Counting house salary	16,000
Manager salary	26,600
Depreciation-Furniture	3,800
Debenture interest	4,500
Sales (19,000 units)	4,40,000
Finished stock insurance	2,400
Delivery van expenses	3,500
Sales office expenses	12,800
Donations	5,000
Stores expense	6,500
Material handling	4,500
Loss on sale of office furniture	250
Cost of defective works and rectifications	5,800
Coal, gas, water	6,400
Audit fees	8,000
Goodwill written off	2,000
Underwriting commission	1,000
Purchase of computers	1,01,500
Legal charges	8,000
Samples	4,500
Packing (Secondary)	8,600
Show room expenses	2,400

Prepare Cost Sheet showing Cost of Production and Profit per unit of output.



16) The following is an extract of the record of receipts and issues of a chemical during August 2021 :

- August 1 Opening balance was 300 units at Rs. 20 per unit
- August 3 Issued 150 units
- August 4 Issued 100 units
- August 6 Ordered for 250 units with buyer at Rs. 19 per unit
- August 10 Received from supplier 200 units at Rs. 19 per unit
- August 12 Freight paid on purchase made on 10th August Rs. 100
- August 14 Issued 65 units
- August 16 Returned to stores 50 units issued on 4th August
- August 17 Transferred 30 units from Job M to Job N
- August 20 Received from supplier 240 units at Rs. 22 per unit
- August 24 Returned to supplier 20 units out of purchase of 20th August
- August 25 Purchase of 100 units at Rs. 24 per unit
- August 26 Issued 180 units

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On 15th August, returned from manufacturing department to stores 15 units. Stock verification on 18th August revealed a shortage of 10 units and on 31st August showed an excess of 5 units. Write up Stores Ledger Account on FIFO Method.



17) In a factory there are three production departments (A, B and C) and 2 service departments (D and E). The following figures are extracted from the books of the factory for the month of January, 2021 :

Particulars	Amount (Rs.)
Rent of the building	10,000
Lighting	6,000
Indirect wages	1,500
Supervision charges	6,000
Power	15,000
Depreciation on machinery	8,000
Sundries	10,000
Amenities to staff	8,000

Other details :

Particulars	A	B	C	D	E
Floor area (sq. feet)	2,000	1,000	3,000	2,000	2,000
Light points	20	30	10	30	30
Direct wages (Rs.)	30,000	40,000	10,000	25,000	25,000
H.P. of machine	3	3	4	3	2
Value of machinery (Rs.)	20,000	30,000	10,000	10,000	-
Number of workers	20	30	25	25	20

The expenses of D and E are to be allotted as follows :

Departments	A	B	C	D	E
D	20%	30%	40%	-	10%
E	40%	20%	30%	10%	-

Prepare Primary and Secondary distribution summary under Repeated Distribution Method.



18) a) Profits disclosed by cost books and financial books were Rs. 17,000 and Rs. 17,800 respectively. Causes for difference in these profits have been ascertained as :

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Amount (Rs.)

1) Over recovery of administrative overheads in cost accounts	2,000
2) Loss due to obsolescence charged in financial accounts	6,000
3) Depreciation charged in cost books	2,400
4) Depreciation charged in financial books	1,600
5) Loss due to depreciation in stock value	400
6) Interest on investment received	8,000
7) Income tax paid	1,000
8) Bank interest received	1,000
9) Stock adjustment (credit in financial accounts)	400
10) Works overhead under recovered in cost accounts	4,000

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Prepare a reconciliation statement.

b) Enumerate any five causes for difference in profits shown by Cost and Financial Accounts.

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