

The sales value of Job No. 15 is to be quoted to earn a profit of 10% on such value.

Find out :

- (i) Effective hourly cost of wages to Akash.
(ii) Sales value of Job No. 15.

- (b) Jay takes 40 hours time to finish a work. Wage rate is Rs. 15 per hour. He receives Rs. 900 under Rowan plan. Jay takes 40 hours time to finish the job. Calculate Jay's wages under Halsey plan. **5**

- 2** (a) Kandrap Co. Ltd. uses different types of material viz. A, B, C, D and E, for which the following information is made available : **7**

Particulars	A	B	C	D	E
Re-order period (in no. of weeks)	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7
Average weekly consumption (units)	95	?	50	?	75
Maximum weekly consumption (units)	?	95	52	60	?
Minimum weekly consumption (units)	75	85	?	40	66
Time for emergency purchase	—	—	—	1 week	—

Find out :

- (1) Re-order level of A.
(2) Minimum level of B.
(3) Maximum level of C.
(4) Danger level of D.
(5) Safety stock level of E.

- (b) From the following data for the year ended March 31, 2012. Calculate material turnover rate in number of times and days : **4**

Particulars	Material X	Material Y
	Rs.	Rs.
Opening stock	40,000	36,000
Purchase during the period	2,08,000	1,08,000
Closing stock	24,000	48,000

- (c) Write the difference and similarities between BIN card and Stores Ledger. **3**

- 3 (a) Jayesh & Co. is having four departments A, B, C are production departments and D is a service department. The overhead for a period were :

	Rs.
Indirect expenses.....	2,000
Rent	4,400
Plant repairs	2,400
Depreciation on plant	1,800
Supervision expenses	6,000
Power	1,800

The following additional data is made available :

Particulars	Departments			
	A	B	C	D
Area occupied (sq. ft.)	250	150	100	50
Number of workers	24	16	18	8
Plant value (Rs.)	24,000	18,000	12,000	6,000
Direct wages (Rs.)	8,000	6,000	4,000	2,000
Power consumption (Rs.)	800	400	400	200

Find out overhead of each department.

- (b) A cost centre in a factory furnishes following information :

Normal working week	40 hours
Number of machines.....	15
Normal weekly loss of hours in maintenance	4 hours per machine
Estimated annual overhead.....	Rs. 1,55,520
Estimated direct wages.....	Rs. 3 per hour
Number of weeks worked for the year.....	48
Actual data of a 4-week period were :	
Overhead incurred	Rs. 15,000
Wages incurred.....	Rs. 7,000
Machine hours produced	2,200 hours

Calculate :

- (i) Overhead rate per machine-hour and
- (ii) Amount of under or over-absorption of wages and overhead.

- 4 A manufacturer produces 8,000 units per month whose cost data is as under : 14

	Rs. Per Unit
Direct material	30
Direct labour	20
Fixed production overhead	25
Variable production overhead	40
Fixed office overhead	30
Fixed selling overhead	10
Variable selling overhead	15
Profit	5
Selling price	<u>175</u>

For the next period it is decided to produce 12,000 units per month which would involve additional capital outlay of Rs. 6,00,000 on which there would be depreciation @ 10% p.a. Assume that the variable cost would increase by 5%, increase in fixed production overhead by 15% apart from depreciation on additional capital outlay, increase in fixed selling overhead by 20% and fixed office overhead by 10% for the next period. Assume no change in selling price.

Prepare :

- (1) Cost sheet for present period and
- (2) Estimated cost sheet for next period to earn.

- 5 Answer the following questions : 14

- (1) What is meant by cost accounting ? Discuss its advantages.
- (2) Discuss the essentials of installing a good costing system.
