8. Write short notes on any three of the following:

(a) Operating Costing

(b) Material Requisition Note

(c) Normal Loss v/s Abnormal Loss

(d) Cost Control v/s Cost Reduction

[This question paper contains 8 printed pages.]

Your Roll No..............

Sr. No. of Question Paper : 3422 **J**

Unique Paper Code : 6132392402

Name of the Paper : Cost Accounting (DSC – 4.2)

Name of the Course : **B.A. (VS) - Small & Medium Enterprises - (NEP)**

Semester : IV

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.

2. Attempt any five questions. Show your working notes as part of your answer.

3. All questions carry equal marks.

4. Use of simple calculator is allowed.

P.T.O.

1. Differentiate between fixed costs and variable costs. How does understanding cost behaviour enable better budgeting and forecasting in MSMEs?

2. What is inventory control? Explain its objectives and significance in the context of efficient materials management in manufacturing firms.

3. Following information has been obtained from the records of a ABC Company:

	1-1-2023	31-12-2024
Stock of Raw Material	30,000	35000
Work In Progress	15,000	20,000
Stock of Finished Goods	43,700	54,000

	₹
Indirect Wages	9720
Sales	325000
Factory Rent & Rates	7830
Office Salaries	15,030
General Expenses	13500
Office Rent	2,000
Rent of Show Room	1,200

7. SM Ltd. has obtained a contract for construction of a building. The contract price for the work is Rs.12 lakhs. The company commenced the work on this contract on 1st" October 2023. The following details are shown in their books for the year ending 30th September 2024.

Particulars	Rs
Mixing Plant purchased	60,000
Wages paid	3,40,000
Materials issued to site	3,36,000
Direct expenses	8,000
General overheads apportioned	32,000
Wages accrued (September 30, 2024)	2,800
Materials at site (September 30, 2024)	4,000
Cost of work not certified	14,000
Direct expenses accrued (September 30, 2024)	1,200
Cash received (80% of work certified)	6,00,000

The life of the mixing plant is estimated at 5 years and is expected to have no scrap value after its life span. The company uses straight line method of charging depreciation. You are required to prepare a contract account for the year ending 30th September 2024 and an abstract of the balance sheet

6. From the following particulars, you are required to work out the earning of a worker for a week under

(a) Straight piece-rate,

(b) Differential piece rate,

(c) Halsey premium scheme (50% sharing) and

(d) Rowan premium scheme.

Weekly working hours	48
Hourly wage rate	Rs. 7.50
Piece rate per unit	Rs. 3.00
Normal time taken per unit	24 minutes
Normal output per week	120 units
Actual output for the week	150 units

Differential piece rate: 80% of piece rate when output below normal and 120% of piece-rate when output above normal.

Purchase of Raw Materials	1,20,000
Productive Wages	90,000
Plant Repair	3,420
Depreciation on Plant	8,360
Factory Lighting	7,380
Salesmen Salaries	7,650

Prepare:-

(i) Cost-Sheet showing the cost of raw materials consumed, Prime Cost, Factory Cost incurred and Factory Cost.

(ii) Income Statement in traditional form for the year showing Gross Profit and Net Profit.

4. Following information is provided by Sunrise Industries for the fortnight of April, 2017:

Material Exe:

Stock on 1-4-2017 100 units at 5 per unit.

Purchases

5-4-2017: 300 units @ Rs. 6

8-4-2017: 500 units @ Rs. 7

12-4-2017: - 600 units @ Rs. 8

Issues

6-4-2017:- 250 units

10-4-2017:- 400 units

14-4-2017:- 500 units

Required:

(A) Calculate using the FIFO and LIFO methods of pricing issues:

(a) The value of materials consumed during the period.

(b) The value of stock of materials on 15-4-2017.

(B) Explain why the figures in (a) and (b) in Part (A) of this question are different under the two methods of pricing of material issues used. You need not draw up the Stores Ledgers.

5. A product is completed through two processes X and Y. During a particular month, 11,000 units of basic raw material @ Rs. 5 per unit were introduced. Other information for the month is as follows:

Particulars	Process X	Process Y
Output (units)	9,000	8,000
Normal Wastage (% of input)	5	10
Value of Normal wastage (per 100 units)(Rs.)	3	4
Direct Wages (Rs.)	11,000	12,000
Manufacturing Expenses (Rs.)	4,230	4,790

From the information given above prepare process and other necessary accounts.