

# **TILAK MAHARASHTRA VIDYAPEETH**

(Department of Distance Education)

## **S.Y. B.Com Home Assignment – May 2011-12**

**Subject: Cost & Works Accounting - I**

**Subject Code:- C-216**

### **Instructions:**

- 1) All questions carry equal marks (16 marks each)**
- 2) All questions are compulsory**

1. What is cost accountancy? Discuss the advantages and disadvantages of cost accounting.
2. A. From the following particulars relating to M/s Chandmal Bros. Chinchwad, Prepare a Cost-Sheet showing.  
(a) Prime Cost, (b) Factory Cost, (c) Cost of Production, (d) Cost of Sales, (e) Profit/ Loss for the period for six months ended 31-03-2011.

Particulars	Rs.
Cost of materials consumed	40,000
Oil and waste	100
Operating labour	9,000
Wages of Foreman	1,000
Direct expenses	2,000
Store keepers wages	500
Sales	1,00,000
Commission paid to the partner , Mr. Chandmal	350
Electric Power	200
Salary paid to the partner, Mr. Rajmal	650
Consumable stores	1,000
Direct wages payable	1,000
Lighting:	
i) Factory	500
ii) Office	200
Carriage Outward	150
Rent :	
i) Office	1,000
ii) Factory	2,000
Warehouse charges	200
Repairs and Renewals:	
i) Factory Plant	500
ii) Machinery	1,000
iii) Office Premises	200
iv) Warehouse	100

Advertising Depreciation :	
i) Office Premises	400
ii) Machinery	500
Traveling expenses	200
Office Manager's salary	200
Salesmen's commission and salaries	2,250
Director's fees	500
Printing and Stationery	500
Telephone charges	200
Postage	50
Bad Debts	100
	450

2. B. Explain briefly the various elements of costs ?

3. A (M/s L.G limited a manufacturer of T.V's., gives the following information in respect of two components namely A and B in the manufacturing process.

- Normal Usage - 200 units per week each
- Maximum Usage - 300 units per week each
- Minimum Usage - 100 units per week each
- Re-order Quantity A - 1600 units
- Re-order Quantity B - 2400units
- Re-order Period A - 2 to 4 weeks
- Re-order Period B - 1 to 2 weeks.

Calculate for each component -

Re-order level, (b) Maximum stock level, (c) Minimum stock level and (d) Average stock level.

3. B Explain in detail the purchase procedure.

4. A. Following purchases were made of spares:

Stores received Note No. 11 of 4.7.09 Nos. 20 at Rs. 15.00.

Stores Received Note No. 54 of 17.7.09 Nos. 30 at Rs. 14.00.

Stores Received Note No. 80 of 2.8.09 Nos. 40 at Rs. 14.50.

Stores f Received Note No. 105 of 30.8.09 Nos. 30 at Rs. 13.00.

The issue were :

Nos. 25 on 20.7.09 wide requisition slip No. 160

Nos. 40 on 5.8.09 wide requisition slip No. 32

Nos. 48 on 31.8.09 wide requisition slip No. 203

On 28.8.09, 5 spares issued on 20.7.09 were received back, out of which three spare was found damaged on 29.8.09 and had to be discarded.

Enter the above in the stores ledger, using FIFO method of pricing the issues.

4. B. Distinguish between - Bill of material and Store requisition

5. A. On the basis of following information, calculate the earnings of P and Q on the straight piece Rate basis and Taylor's differential piece rate system. Standard production- 4 units per hour Normal time rate- Rs. 10 per hour Differentials to be

applied-

1. 80% of piece rate below standard.
2. 120% of piece rate at or above standard.

In a day of 8 hours, actual production was as follows:

P-24 units

Q- 36 units

5. B. Discuss the advantages and disadvantages of piece- system of payment of wages.

6. A. The personal department of Dombiwali Co. Ltd., has supplied the following information relating to its work force during the month of December 2009.

Number of workers on 1.12.2009	1900
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Number of workers on 31.12.2009	2,100
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During the month 25 persons quit and 55 persons are discharged. 250 workers were engaged out of them 30 persons were appointed in the vacancy caused.

Calculate labour turnover rate during the period under different methods.

6.B. Define the term "Labour Turnover". What are the causes responsible for labour turnover?