

March 2020

B.Com (H) Cost Accounting
Assignment (Sec 3, 4)

mm'20

Q1 The Co. has several product line which are processed thru 3 depts. X, Y & Z. The data for the year is as follows:

Dept	fact. OH	Direct lab. hrs	Direct labour cost
X	Rs 1,24,000	80,000	Rs 1,60,000
Y	Rs 2,30,000	1,15,000	Rs 2,41,500
Z	Rs 5,46,000	1,05,000	Rs 1,99,500

Production record indicated the following for the prod. line

"Mega Power". Unit produced 20,000

	X	Y	Z
Prime cost (Rs)	45,000	10,500	59,500
Direct hrs	10,000	5,000	30,000

- (i) Calculate Plant wise & Dept. wise OH rates based on Direct labour hours.
- (ii) Compute cost of "Mega Power" line for the year based on:
(a) Plant wise rate (b) Dept. wise rate
- (iii) Comment on the results.

(5)

Q2. The foll. expenses incurred annually in respect of a factory having 8 machines of similar nature.

Lighting for the factory Rs 800

Supervision Rs 900

Repairs Rs 2400

Rent Rs 4000

Attendants: 2 persons look after machines, paid Rs 60 p.m. each.

Interest paid on loan Rs 2000

Power consumed for the shop at Rs 0.10 per unit Rs 9600

Depreciation per machine Rs 300

Sundry supplies for the factory Rs 240

Each machine consumes 10 units of Power in an hour.

Calculate machine hour rate if (each) machine runs for 1200 hours in a year.

(3)

Cost Accounty Assignment.

Q3 A factory works for 8 hrs per day & there are 10 festivals holidays along with Sunday as a holiday. During the whole yr, 200 hrs are productive setup & 300 hrs are unproductive maintenance. 100 hrs lost due to strike. For 20 days, 2 hrs were done as overtime. Calculate productive hours. (2)

Q4, (a) The Annual demand for an item of raw material is 4000 units. & purchase price is expected to be Rs 90 per unit. The cost of processing an order is Rs 135. & cost of storage is estimated to be Rs 12 per unit. What is the optimal order quantity & Total relevant cost of this order.

(b) Suppose that Rs 135 as estimated to be the incremental cost of processing an order is incorrect & shd. have been Rs 80. Assume all other estimates are correct. What is the difference in cost on account of error.

(c) Assume that at the commencement of the period, supplier offers 4000 units at a price of Rs 86. The material will be delivered immediately & placed in the store. Assume that the incremental cost of having the order is zero & original estimate of Rs 135 for placing an order. For economical batch is correct. Shd. the order be accepted? (6)

Q5, what do you understand by labour turnover? Enumerate the causes of such labour turnover & indicate some steps which may reduce labour turnover. (4)