1. Answer any FIVE of the following: 
   Each answer should not exceed one page.  
   
   a) Expired Cost and Unexpired Cost  
   b) ABC Analysis  
   c) Job Evaluation and Merit Rating  
   d) Work Certified and Work Uncertified  
   e) Master Budget and Discretionary Budget  
   f) Normal wastage and abnormal wastage  
   g) Under absorption and over absorption of overhead  
   h) Standard Time = 50 Hours  
      Work Rate per hour = Rs.3/-  
      Actual Time taken = 42 hrs.  
      Calculate earnings and bonus under Rowan Plan

SECTION-B

Answer the following:

UNIT-I

2. a) “Limitations of financial accounting have made the management to realize the importance of cost accounting”. Comment.
   
   OR

   b) Money spent on installing a costing system is not an expense but an investment. Give your views.
UNIT-II

3. a) What are the important requirements of every system of material control?

OR

b) The following are the maintenance costs incurred in a machine shop for six months with corresponding machine hours:

<table>
<thead>
<tr>
<th>Months</th>
<th>Machine Hours</th>
<th>Maintenance costs (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>2,000</td>
<td>300</td>
</tr>
<tr>
<td>February</td>
<td>2,200</td>
<td>320</td>
</tr>
<tr>
<td>March</td>
<td>1,700</td>
<td>270</td>
</tr>
<tr>
<td>April</td>
<td>2,400</td>
<td>340</td>
</tr>
<tr>
<td>May</td>
<td>1,800</td>
<td>280</td>
</tr>
<tr>
<td>June</td>
<td>1,900</td>
<td>290</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,000</strong></td>
<td><strong>1,800</strong></td>
</tr>
</tbody>
</table>

Analyse the maintenance cost which is semi-variable into fixed and variable elements.

UNIT-III

4. a) What is cost-plus contract? Discuss this from the point of view of a) the manufacturer b) the buyer

OR

b) Mr. Gopal furnished the following data relating to the manufacture of a standard product during the month of April 2009.

- Raw materials consumer: Rs.15,000/
- Direct Labour Charges: Rs.9,000/
- Machine hours worked: 900
- Machine hours rate: Rs.5/
- Administration overheads: 20% on works cost
- Selling overhead: Rs.0.50 per unit
- Unit produced: 17,100
- Units sold: 16,000 at Rs.4/- per unit

You are required to prepare a cost sheet from the above showing a) the cost per unit b) cost per unit sold and profit for the period
UNIT-IV

5. a) Describe the general features of process costing. In what type of industries is process costing generally adopted? 8

OR

b) Fifty units are introduced into a process at a cost of rupee one each. The total additional expenditure incurred by the process is Rs.30/-, of the units introduced. 10% are normally spoiled in the course of manufacture, these process a scrap value of Rs.0.25 each. Owing to an accident, only 40 units are produced. You are required to prepare (i) Process Account, and (ii) Abnormal Loss Account. 8

UNIT-V

6. a) Define budget and budgetary control. State the advantages of budgetary control in an organization. 8

OR

b) Glass manufacturing company requires you to present the budget for the next year from the following information. 8

Sales
- Toughened Glass: Rs.6,00,000
- Bent glass: Rs.2,00,000

Direct Material cost: 60% of sales

Direct Wage: 20% workers @ Rs.150 per month

Factory Overhead
- Indirect Labour
  - Workers manager: Rs.500 per month
  - Foreman: Rs.400 per month
- Stores and spares: 2.5% on sales
- Depreciation on machinery: Rs.12,600
- Light and power: Rs.3,000
- Repairs and maintenance: Rs.8,000
- Other sundries: 10% on direct wages
- Administration, selling and distribution expenses: Rs.36,000 per year

[41/VT/309]