



16. What is double bin system?  
 17. Define marginal cost.  
 18. What is fixed over heads?  
 19. Define costing.

(8 x 2 =16 Marks)

**PART C**

Answer any *six* questions. Each question carries 4 marks.

20. Distinguish between bin card and stores ledger.  
 21. Explain (a) wastage (b) scrap (c) spoilage (d) defectives  
 22. What are the benefits of integrated accounting system?  
 23. What are the causes for labor turnover?  
 24. Prepare stores ledger account from the following particulars by FIFO method?
- |              |                                      |
|--------------|--------------------------------------|
| 2010, Jan 1. | Balance 600 units @ ` 50 per unit    |
| Jan 3.       | Issues 300 units                     |
| Jan 10       | Purchased 400 units @ ` 52 per unit  |
| Jan 15.      | Issues 360 units                     |
| Jan 20.      | Purchases 640 units @ ` 60 per units |
| Jan 30.      | Issues 220 units                     |
25. Material A is used as follows
- |                     |                     |
|---------------------|---------------------|
| Minimum usage       | 1000 units per week |
| Maximum usage       | 3000 units per week |
| Normal usage        | 2000 units per week |
| Ordering quantities | 3200 units          |
| Delivery period     | 6-8 weeks           |

Calculate (a) maximum level (b) minimum level (c) reordering level

26. Calculate the earnings of a worker from the following information
- Standard time 60 hours  
 Time taken 40 hours  
 Hourly rate of wages is ` 2 per hour plus dearness allowance @ ` 1 per hours worked.
27. Calculate machine hour rate from the following
- |  |             |
|--|-------------|
| Cost of the machines                             | 38400       |
| Estimated scrap value                            | 2400        |
| Average repair charges per month                 | 300         |
| Standing charges allocated to machine per months | ` 100       |
| Effective working life of the machine            | 20000 hours |
- Running time per month 322 hours, power used by machine 10 units per hour @ 38 paise per unit.

(6 x 4 = 24 Marks)

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**PART D**

Answer any *two* questions. Each one carries 15 marks.

28. Distinguish between financial accounting and cost accounting.  
 29. The excel company is divided into four department. A, B, C are production departments and D is a service department. The actual cost for a period is as follows

Rent	2000	supervision	3000
Repairs to plant	1200	Fire insurance in respect of stock	1000
Depreciation of plant	900	power	1800
Employers liability for insurance	300	light	240

The following information is available in respect of the four departments.

	A	B	C	D
Area sq. metres	3000	2200	1800	1000
No. of employees	40	30	20	10
Total wages	6000	4000	3000	2000
Value of plant	24000	18000	12000	6000
Value of stock	15000	9000	6000	-----
HP of plant	24	18	12	6

Apportion the cost to the various departments on the most equitable basis.

30. M/s Captain Ltd showed a net loss of ` 208000 as per their financial accounts for the year ended 31<sup>st</sup> March 2016. The cost of accounts however, disclosed a net loss of ` 164000 for the same period. The following information was revealed as a result of the scrutiny of both the sets of books.
1. Factory overhead under recovered ` 3000
  2. Administration over head over recovered ` 2000
  3. Depreciation charged in financial books ` 60000
  4. Depreciation recovered in cost accounts ` 65000
  5. Interest on investments not included in cost accounts ` 10000
  6. Income tax provided ` 60000
  7. Transfer fee (in financial books)1000
  8. Stores adjustment (credit in financial books)1000

Prepare reconciliation statement.

(2 x 15 = 30 Marks)

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(3)