B.V. Patel Institute of Business Management, Computer & Information Technology

Uka Tarsadia University

1st Internal Examination, SYMCOM 3rd Semester

040170301: Advance Cost Accounting

Marks: 50

Date: 28/08/2017 **Time: 2 hrs.**

Q-1 Answer the following. (Any Five) **[10]**

1. What is cost centre & profit centre?
2. Explain sunk cost with example.
3. ABC company purchased 100 units for 3 months requirement @ cost of Rs.20 per unit. Ordering cost per order is Rs.50, carrying cost per unit Rs.2, return on investment @ 10%. Calculate the EOQ and total no of order placed during year.
4. What do you mean by material control?
5. Explain two disadvantages of Rowan plan.
6. Define job analysis.

Q-2 Answer the following. (Any Two) **[20]**

1. A company is undecided as to what kind of wage scheme should be introduced. The following particulars have been complied in respect of three system, which are under consideration of the management.

Particulars	**Workers**		
	A	**B**	**C**
Actual hours worked in a week	38	40	34
Hourly rate of wages	Rs.6	Rs.5	Rs.7.20
Production in units :			
Product P	21	-	60
Product Q	36	-	135
Product R	46	25	-

Standard time allowed per unit of each product is:

P	**Q**	**R**
12 minutes	18 minutes	30 minutes

For the purpose of piece rate, each minute is valued at Rs.0.10.
You are required to calculate the wages of each worker under:

I. Guaranteed hourly rates basis.
II. Piece work earnings basis, but guaranteed at 75% of basic pay (guaranteed hourly rate) if his earnings are less than 50% of basic pay.
II. Premium bonus basis where the worker receives bonus on Rowan scheme.

2. The following transactions in respect of material Y occurred during the six months ended 30th June 2012. You are required to prepare stores ledger by using weighted average and LIFO method.

Months	Purchase (units)	Price per unit (Rs.)	Issued (units)
January	200	25	NIL
February	300	24	250
March	425	26	300
April	475	23	550
May	500	25	800
June	600	20	400

3. Assume that the following quantity discount schedule for a particular bearing is available to a retail store:

Order size (unit)	Discount
0-49	0%
50-99	5%
100-199	10%
200 and above	12%

The cost of a single bearing with no discount is Rs.30. The annual demand is 250 units. Ordering cost is Rs.20 per order and annual inventory carrying cost is Rs.4 per unit. Determine the optimal order quantity and the associated minimum total of inventory and purchasing costs, if shortages are not allowed.

Q-3 Answer the following in detail. (Any Two) [20]

1. P Ltd used 3 materials A,B & C for the production of X, the final product. The relevant data for the components are given below.

particulars	A	B	C
Normal usage (units)	200	150	180
Minimum usage (units)	100	100	90
Maximum usage (units)	300	250	270
ROQ (units)	750	900	720
Reorder Period	2-3 weeks	3-4 weeks	2-3 weeks

Calculate minimum level, maximum level, reorder level, average stock level for all three materials.

2. Explain in detail methods and techniques of costing.

3. Discuss in detail value added concept.