2025

COST ACCOUNTING - I — MDC

Paper : MDC-2

Full Marks : 75

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Group - A

Answer ***any three*** questions.

1. Mention different types of cost when costs are classified :

(a) Elementwise

(b) Functionwise

(c) Behaviourwise. 1+2+2

2. From the following information, calculate reorder level, maximum level and minimum level :

Reorder quantity	250 units
Minimum usage	30 units per week
Normal usage	60 units per week
Maximum usage	90 units per week
Delivery period	4 to 6 weeks.

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3. State the method of costing that would be most suitable for the following industries :

(a) Construction works

(b) Road Transport

(c) Toy Making

(d) Coal mine

(e) Pharmaceuticals. 5

7. Draw up a Stores Ledger from the following particulars, using LIFO method.

July, 2024

1	Opening balance	1000 units @ ₹ 20 per unit
3	Issue	140 units
4	Issue	20 units
7	Receipt (from suppliers)	400 units @ ₹ 21 per unit
9	Return (from department) from issue dated 03.07.24	40 units
10	Shortage	20 units
13	Issue	140 units
14	Receipt (from suppliers)	200 units @ ₹ 22 per unit
18	Issue	600 units
26	Receipt (from suppliers)	100 units @ ₹ 20 per unit
30	Issue	120 units

10

8. (a) What do you mean by Labour Turnover?

(b) How Labour Turnover is measured?

(c) What are the costs associated with Labour Turnover? 2+6+2

9. Compute machine hour rate of a machine in a shop consisting of 3 machines occupying equal floor space. The effective working hours for the year 2024 are 2000 hours. Following details are available for the machine shop :

	₹
Rent and taxes of the shop per annum	36,000
General electricity for the shop per month	2,000
Repairs and maintenance expenses for the machines per annum	6,000
Rate of power charges for 100 units (each machine consuming 10 units per hour)	30
Foreman's salary for supervising all the machines per month	7,500

Indirect labour cost is ₹ 20 per hour for the machines.

Three machines cost ₹ 13,00,000 and scrap value is estimated at ₹ 1,00,000 and estimated life of each machine is 10 years. The foreman devotes equal attention to each machine in the shop. 10

10. Write short notes on :

(a) Opportunity cost

(b) ABC Analysis of Inventory control

(c) Overtime wages. 3+4+3

Please Turn Over

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Please Turn Over

13. XYZ Ltd. has three production departments A, B and C and one service department S. The company furnished the following information for 2024 :

	₹
Rent	68,000
Power	36,800
Depreciation on Machinery	44,000
Indirect Wages	10,600
Canteen expenses	11,400
Electricity	9,200

The following details are also available regarding the departments :

	A	B	C	S
Floor space (sq. ft.)	4,000	6,000	5,000	2,000
Light Points	36	24	20	12
Cost of Machines (₹)	1,60,000	1,00,000	1,20,000	20,000
Horse Power of machines	60	40	80	20
Number of workers	14	10	10	4
Direct Wages (₹)	30,000	32,000	36,000	8,000

Expenses of service department are to be apportioned to production departments as A – 50%; B – 25% and C – 25%. 15