

- 3 There is no difference between process costing and operation costing.
- 4 Hiring of special machinery, subcontracting are direct expenses.
- 5 Production overhead is also known as factory overhead, works overhead.
- 6 All products have significant value.
- 7 Production overhead is also known as factory overhead, works overhead.

Q.2(a) Define Job costing; state its feature and procedure of Job costing.

(20)

OR

Q.2(b) A Ltd has 3 production departments and 2 service departments. A, B, C are production departments while Y, Z service departments. Their details are as follows:

Particulars	Amount in Rs.
Rent and rates	10,000
Indirect wages	5,000
Depreciation of machinery	20,000
General lighting	2,000
Power	1,000

Further details are as follows:

Particulars	Total	A	B	C	Y	Z
Floor space (sq.ft)	5000	1000	10000	10000	1000	1000
Light points	50	20	10	10	5	5
Direct wages	10000	4000	4000	1000	500	500
Horse power of machines	100	50	30	10	5	5
Value of machines	100000	20000	20000	20000	200000	20000

You are required to apportion the costs to various departments on most equitable basis preparing primary distribution summary.

Q.3(a) Materials X and Y are used as follows:

(10)

Minimum usage – 50 units each per week

Maximum usage – 150 units each per week

Normal usage – 100 units each per week

Ordering quantities X = 600 units

Y = 1,000 units

Delivery period X = 4 – 6 weeks

Y = 2 – 4 weeks

Calculate for each material (i) maximum level (ii) Minimum level and (iii) Ordering level.

Q.3(b) Write short notes. (Any 4)**(20)**

- 1) Meaning of store keeping and functions of store keeping
- 2) Meaning of Normal loss and abnormal loss.
- 3) Features of service costing
- 4) The two Bin system
- 5) Economic order Quantity.
- 6)

Q. 4 Solve the following problem (Any 2)**(30)**

1. A product passes through two distinct process A and B. From the following information you are required to prepare process A a/c and process B a/c.

Particulars	Process A	Process B
Material (introduced 20,000 units in process A)	30000	3000
Labour	10000	12000
Overheads	7000	9580
Normal loss	10%	4%
Scrap value of normal loss	Rs-1 per unit	Rs- 2 per unit
Output	17500 units	17000

2. What do you mean by cost of materials and explain in detail methods of Purchasing.
3. From the following data relating to a good transport company Kesari Transport Co. Ltd: calculate the cost per tone-km.

Particulars	Amount
Drivers salary	10,000
Garage mechanic salary	5,000
Manager salary	15,000
Garage rent	3,000
Accountant's salary	12,000
Insurance premium	2,000
Cleaners salary	1, 20,000
Administration overhead	5,000
Depreciation	25,000
Road tax and permit fee	1,000
Interest	6,000
Petrol and diesel consumed	5,000
Tyres and tubes	4,000
Lubrication and sundries	1,000
Spares	2,000
Repairs and maintenance	3,000
Hire charges	2,000

The trucks ran 1,000 km during the year ended 31st march 2016, and the quantity of goods carried is 100 tones.

4. Explain the meaning of overhead absorption and methods of overhead absorption.