ALLAMA IQBAL OPEN UNIVERSITY

Level: Bachelor
Paper: Cost Accounting (402)
Time Allowed: 3 hrs

OVERSEAS

Semester: Spring 2009
Maximum Marks: 100
Pass Marks: 40

Note:- ATTEMPT FIVE QUESTIONS. ALL QUESTIONS CARRY EQUAL MARKS. QUESTION No. (8) IS COMPULSORY.

Q.No.1	The extract from the payroll of Glass Works as follows: Number of employees at the beginning of 2008 = 135 Number of employees at the end of the year 2008 =165 Number of employees resigned = 20 Number of employees dismissed = 02 Number of employees discharged = 18 **Required:- Calculate the net annual labour turnover rate of the factory and comment on it.**	20
Q.No.2	Omega yearly consumption for product " X 101" is 20,000 units and unit cost is Rs 0.50, cost of placing one order is Rs. 20 and carrying cost of inventory is 20%. **Required:- Calculate the Economic Order Quantity (EOQ).**	20
Q.No.3	A manufacturer of woodworks apply "Job order costing" received an order for a special computer table. The material worth Rs. 2,000. was used on this table. The labour cost was Rs. 1,500. The FOH rate was 80% of direct labour cost. The administrative overhead at 10% and selling over head at 5% of factory cost is applied. **Required:- Prepare "Job Order Cost Sheet".**	20
Q.No.4	The management of XYZ company has decided to prepare financial statements from a few accounts with Financial or cost ratios. Following are the figures/ informations: Net Income for the year is Rs. = 12,00,000. Net Profit rate on net sales = 10% Gross profit rate on net sales = 40% Rate of marketing expenses to net sales = 15% Total liabilities Rs. = 20,00,000. 5% bonds payable represent 37.5% of total liabilities: **Required:- Prepare an "Income Statement" based upon such informations.**	20
Q.No.5	**Write notes on the following:** **(i)** Re-order Level **(ii)** Inventory System **(iii)** Economic Order Quantity **(iv)** Spoiled Work **(v)** Process Costing System	20
Q.No.6	**The following particulars / figures are available.** **(i)** Required units = 7,200 units **(ii)** Material Cost per unit = Rs. 2.50 **(iii)** Cost of ordering = Rs 12.50 per order. **(iv)** Carrying Cost % = 20% of material cost **Required:- (a)** Economic Order Quantity (E.O.Q). **(b)** Frequency of orders **(c)** Annual ordering + Carrying cost	20
Q.No.7	Discuss the different types / kinds of wages. What are the objects of such incentive wages plan and what factors should be taken into consideration before installing any incentive scheme.	20
Q.No.8	**(A) Fill in the blanks:** **(i)** Sales force training cost is not a .....cost. **(ii)** The variable cost changes with the change in..... **(iii)** The cost of glue & tape not traceable, is type of.....cost. **(iv)** All expenses and costs incured for finished goods is called..... **(v)** .....is the sum total of direct production cost mainly comprised of direct material + direct labour. **(B) Following statements are True or False.** **(i)** Prime cost consist of direct labour + factory overhead. **T/F** **(ii)** Conversion cost is the other name of " cost of goods sold". **T/F** **(iii)** In process costing the Goods are produced in one department only. **T/F** **(iv)** For production in "Job Order" many departments are involved. **T/F** **(v)** "Cost of Goods manufactured" statement tells us the net-profit or net loss of the business. **T/F**	10 10

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