



UNIVERSITY OF THE PUNJAB

Second Year 2nd A/2015
Examination: B.B.A. (Hons.)

Roll No.

Subject: Cost Accounting
PAPER: 1

TIME ALLOWED: 3 hrs.
MAX. MARKS: 100

NOTE: Attempt any FIVE questions. Each question carry equal marks.

<p>Q. No.1</p>	<p>Two materials A and B are used in company as follow: Minimum usage-----50 units per week each Maximum usage -----150 units per week each Normal \Average usage -----100 units per week each EOQ\Re-order quantity-----A:600 units and B:1000units Delivery period-----A;4 to 6 weeks, B: 2 to 4 weeks</p> <p>Required:</p> <p>Calculate various stock levels: a) Re-order level b) Minimum level c) Maximum Level</p>	<p>20</p>																												
<p>Q. No.2</p>	<p>It is estimated that during the coming year Shannaz Auto Industry will buy 50,000 units of a certain component at a price of Rs. 30 per unit. Annual storage cost per unit is estimated as Rs.1 .90 per unit. It is policy of company to impute 15% interest on capital invested in inventory. Ordering cost is expected to be Rs.40 per order. Presently the company buys in four quarterly orders of 12,500 units.</p> <p>Required:</p> <p>a) EOQ b) Savings for coming year if company buys in economic order quantity.</p>	<p>20</p>																												
<p>Q.No.3</p>	<p>The Records of Amjad and company show following information for the three months ended December 31, 2009:</p> <table border="1" data-bbox="310 1590 1291 2202"> <thead> <tr> <th></th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Material purchased</td> <td>1,946,700</td> </tr> <tr> <td>Inventories, January1, 2009</td> <td></td> </tr> <tr> <td>Finished goods (100 refrigerator)</td> <td>43,000</td> </tr> <tr> <td>Material</td> <td>268,000</td> </tr> <tr> <td>Direct labor</td> <td>2,125,800</td> </tr> <tr> <td>Factory overhead (40% variable)</td> <td>764,000</td> </tr> <tr> <td>Marketing Expenses (All fixed)</td> <td>516,000</td> </tr> <tr> <td>General and Admin. Expenses (all fixed)</td> <td>461,000</td> </tr> <tr> <td>Sales (12,400 Refrigerators)</td> <td>6,634,000</td> </tr> <tr> <td>Inventories , December 31, 2009.</td> <td></td> </tr> <tr> <td>No unfinished work on hand</td> <td></td> </tr> <tr> <td>Finished goods (200 refrigerators) ,costed at Rs. 395 each</td> <td></td> </tr> <tr> <td>Materials</td> <td>167,000</td> </tr> </tbody> </table> <p>Required:</p> <p>a) An income statement for the period b) The number of units manufactured c) The unit cost of refrigerators manufactured d) The gross profit per unit e) The income per unit sold</p>		Rs.	Material purchased	1,946,700	Inventories, January1, 2009		Finished goods (100 refrigerator)	43,000	Material	268,000	Direct labor	2,125,800	Factory overhead (40% variable)	764,000	Marketing Expenses (All fixed)	516,000	General and Admin. Expenses (all fixed)	461,000	Sales (12,400 Refrigerators)	6,634,000	Inventories , December 31, 2009.		No unfinished work on hand		Finished goods (200 refrigerators) ,costed at Rs. 395 each		Materials	167,000	<p>20</p>
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