

Dr. Babasaheb Ambedkar Open University
Term End Examination June – 2017

Course	: DACA	Date	: 24-Jun-17
Subject Code	: DACA-01	Time	: 3:00 TO 6:00
Subject Name	: Basics of Cost Accounting	Duration	: 03 Hours
		Max. Marks	: 70

Section A

Answer the following Question. (Any Three) **(30)**

1. Write a note about Cost classification on the basis of Functions.
2. Explain the basic procedure for material handling in an organization.
3. Explain the Concept of EOQ.
4. Explain the Rowan plan for wage incentives.
5. Write a note on basis of allocations for overheads.

Section B

Answer the following Question. (Any Four) **(20)**

1. What is meant by Relevant and irrelevant Cost.
2. Explain ABC method of inventory handling.
3. What are the reasons for Labour turnover
4. What is meant by over absorption of over heads.
5. Calculate the Economic Order Quantity from the following information.

Annual Consumption	9000 Units
Cost per unit	Rs. 30
Cost of Placing an order	Rs. 15
Cost of storing unit	10 %
6. Amar has taken 36 hours to complete a job. The wage rate per hour is Rs. 10. If he has received Rs. 432 as total wages according to Rowan plan, what would be the amount of wages earned by him according to Halsey Plan.

Section C

(A) Multiple choice question **(10)**

1. Which one of the following is a 'product Cost'

(A) Indirect Materials	(B) Administrative staff Salary
(C) Salesman's Commission	(D) Interest Bank Loan
2. Telephone phone bill is included in which of the following expenses.

(A) Semi-Variable	(B) Fixed	(C) Variable	(D) None of the above
-------------------	-----------	--------------	-----------------------
3. Which one of the following is not considered an 'Incentive wage system'

(A) Piece wage	(B) Halsey	(C) Rowan	(D) Group bonus
----------------	------------	-----------	-----------------
4. Labour paid for the machine maintenance is included in _____ overheads.

(A) Factory	(B) Prime Cost	(C) Selling	(D) Administrative
-------------	----------------	-------------	--------------------

5. When employee is given wages according to units he produces the _____ is given to him.

(A) Piece-work card (B) Time Card (C) Job card (D) None of the above

(B) Explain the following terms

(10)

1. Opportunity Cost
 2. Shut-down Cost
 3. Reorder Point
 4. Safety stock
 5. Maximum Level.
-