R. J. Tibrewal Commerce College, Vastrapur, Ahmedabad-380015
B. Com. Semester III: Course (Sub.): CE 201 A – Cost Accounting - I

ASSIGNMENT -1

Calculate Minimum Level and Maximum Level of Stock from the following information. Maximum consumption per day 45 units; Cost of placing an order Rs. 200; Opening Stock 900 units; Stock Turnover 10 times; Average Time to get delivery of goods 15 days; Price per unit Rs. 100; Carrying cost per unit per annum is 4%; Closing stock 1100 units; Safety stock 225 units; Minimum consumption per day 15 units.

ASSIGNMENT -2

A Company has three production departments (A, B and C) and two service departments (D and E). Its information for October, 2020 are as under.

Particulars/Dept	A	B	C	D	E
Direct Wages (Rs.)	7000	6000	5000	1000	960
Direct Material (Rs.)	3000	2500	2000	1500	1000
No. of Workers	20	15	15	5	5
Power (Kw)	80	60	60	20	30
Light Points	10	15	15	5	5
Value of Assets (Rs.)	50000	30000	20000	10000	10000
Area Occupied (Sq. Yards)	80	60	60	20	20
General Overheads (Rs.)	3500	3000	2500	500	500
Labour Hours	5690	1730	7330	-	-

Other expenses during the month:

Particulars	Rs.
Stores Expenses	400
Power	1500
General Lighting	200
Labour Welfare Expenses	3000
Depreciation	6000
Repairs and Maintenance Expenses	1200
Rent	600

You are required to allocate and apportion overheads of different departments and work out the overhead recovery rate per Labour Hour. For this purpose, overheads of service department D are to be distributed amongst production departments A, B and C in the ratio of 4:3:3 respectively and overheads of service department E are to be distributed amongst production departments in the ratio of direct wages.

For a job direct material of Rs. 4000 and direct wages of Rs. 6000 is to be spent and to finish the job, it is required to be worked upon in Department A, B and C for 25, 100 and 10 hours respectively. If we want to earn a profit of 50% on selling price of this job, calculate the selling price for this job taking base of the Labour Hour Rate arrived at for production departments.

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