

FYBAF - Sem - I  
Sept. 2016  
Bus. Communication

Q.P. Code : 779800

(2½ Hours)

[ Total Marks : 75

N.B. : (1) All questions are compulsory.

1. (A) Match the Columns (Any Eight) :-

8

- |                           |                          |
|---------------------------|--------------------------|
| (1) Physical Barrier      | (a) Documents Attached   |
| (2) Charts and Graphs     | (b) General Agreement    |
| (3) Enclosure             | (c) Sales Objective      |
| (4) Technical Terminology | (d) Jargon               |
| (5) Clarity               | (e) Dear Sir             |
| (6) Consensus             | (f) Body Language        |
| (7) Persuasion            | (g) C's of Communication |
| (8) Salutation            | (h) Language Barrier     |
| (9) Kinesics              | (i) Noise                |
| (10) Homonyms             | (j) Visual Communication |

(B) State whether the following statements are True or False (Any Seven):- 7

- (1) The sender and the encoder may be two different persons.
- (2) A message and a communication are the same.
- (3) Grapevine is an informal, secondary channel of communication.
- (4) Silence is an effective method of communication.
- (5) The process of communication begins with a medium and channel.
- (6) A sign and a signal are the same.
- (7) Colours convey many direct and indirect messages.
- (8) Written communication has legal value.
- (9) Sending a FAX message is equivalent to sending a photo copy.
- (10) The Inside Address is a compulsory part of a business letter.

2. (a) Explain and illustrate the Process of Communication. 7  
(b) List any four advantages and disadvantages of technological advancements in communication. 8

OR

- (a) List the advantages and disadvantages of Grapevine communication. 7
- (b) List and explain the advantages and disadvantages of Internet. 8

TURN OVER

**Q.P. Code : 779800**

**2**

3. Distinguish between Listening and Hearing. List and explain the common barriers to effective listening. **15**

**OR**

Explain the term Business Ethics with special reference to Personal Integrity at the Workplace. **15**

4. (a) Draft a Letter of Application with Curriculum Vitae for the post of an IT Administrator at Cloud Computech, Use the Complete Block layout. **10**
- (b) Mr. Kuber Sharma has been offered the post of an IT Administrator in Cloud Computech. Draft a Letter of Job Acceptance on his behalf. Use the Modified Block layout. **5**

**OR**

- (a) Draft a Letter of Application with Curriculum Vitae for the post of an Accounts Manager in Kalkaji Films Pvt. Ltd. Use the Complete Block layout. **10**
- (b) Mr. Hiralal has been working as an Accounts Manager with Kalkaji Films Pvt. Ltd. since the past five years and would now like to resign from his post. Draft a Letter of Resignation on his behalf. Use the Semi Block layout. **5**

5. Write short notes on the following (**Any Three**):- **15**
- (a) 'You' Attitude
  - (b) Motivation as an Objective of Communication
  - (c) Surrogate Advertising
  - (d) Communication by Silence
  - (e) Office Etiquette
-

FYBAF - Sem-I  
Sept - 2016  
Business Economics

Q.P. Code : 779301

(2½ Hours)

[Total Marks 75]

- N.B.** 1) All questions are Compulsory.  
2) Figures to the right indicate marks.  
3) Draw diagrams wherever necessary.

1. a) State whether the following statements are True or False (Any Eight) :-

08

- 1) Extension in Demand and increase in demand means the same.
- 2) When demand is perfectly elastic the demand curve will be a vertical straight line.
- 3) Isoquants normally intersect Y axis.
- 4) Economies of scale lead to reduction in cost of production.
- 5) At break even point the firm's total revenue is maximum.
- 6) Perfectly competitive firm is a price taker.
- 7) Selling cost is a unique feature of Monopolistic competition.
- 8) Cartel formation helps the oligopoly firms to avoid competition.
- 9) Price discrimination exists only in a Monopoly Market.
- 10) Cost plus pricing is also called as Mark up pricing.

b) Match the following (Any Seven) :-

07

Group A	Group B
1) Oligopoly	i) Negation of Competition
2) No Consumer Surplus	ii) Few sellers.
3) Monopoly	iii) 1st Degree of Price Discrimination
4) $MC = MR$	iv) $Q = f(P)$
5) Long Run Average Cost Curve	v) $TC/n$
6) Division of Labour	vi) $TR_n - TR_{(n-1)}$
7) Composite Demand	vii) Equilibrium of a firm
8) Demand function	viii) Envelopes Curve
9) Average cost	ix) Internal Economies to scale.
10) Marginal Revenue	x) Electricity

TURN OVER

2. a) Explain with the help of diagram different types of Price elasticities of demand. 08
- b) What are the steps involved in Demand forecasting? Explain briefly. 07

OR

2. c) Enumerate the importance of Demand forecasting. 08
- d) What are the factors determining elasticity of Demand? Explain. 07
3. a) What is an Isoquant? Explain its properties using diagrams? 08
- b) Discuss briefly the Law of variable properties. 07

OR

3. c) Explain different types of Internal and External economies to scale. 08
- d) The total fixed cost incurred by a firm is Rs.1000/-. Calculate TC, AC and VC from the following data : 07

Unit	1	2	3	4	5	6	7	8
MC	100	200	300	400	500	600	700	800

4. a) Explain the concept of Kinky Demand curve. 08
- b) Diagrammatically explain the concept of Break even Point Analysis. 07

OR

4. c) Explain the concept of Long - run Equilibrium of a firm in perfect competition, with the features of perfect competition market structure. 08
- d) Explain the features of monopolistic competition. 07

TURN OVER

5. a) Explain the concept of Long Run Average Cost? Also explain the relationship between AC & MC. 15

OR

5. b) Write short notes on (Any Three) :-

15

- 1) Price Discrimination
- 2) Law of Demand
- 3) Opportunity Cost
- 4) Mark up Pricing
- 5) Dumping

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FYBAF - Sem - I  
Sept - 2016  
Foundation Course - I

QP Code : 779600

(2 ½ Hours)

[ Total Marks :75

- N.B. :** (1) All questions are **compulsory**.  
(2) **Figures** to the **right** indicates **full marks**.  
(3) Question No.5 should attempt by Army, Navy and Air wing Cadets respectively.

1. (A) State the following sentences are True or False (**Any Eight**). 8

- (1) There are 18 directorates in NCC.
- (2) NCC is the smallest youth organization in world.
- (3) Water is a natural resource.
- (4) On 'Right Turn' command we turn right at 45 degree.
- (5) When we talk with our Junior we should be in Savdhan position.
- (6) Earthquake is a natural disaster.
- (7) Major is the lowest rank of Associate NCC Officer in NCC.
- (8) We should conserve the forest.
- (9) Communication skill is one of the best qualities of leadership.
- (10) There are four wings in Defence.

(B) Fill in the blanks (**Any Seven**) 7

- (1) There are \_\_\_\_\_ types of drill.
- (2) \_\_\_\_\_ Country invented the drill.
- (3) In Savdhan position, the angle between two legs is \_\_\_\_\_.
- (4) Unity and \_\_\_\_\_ is motto of NCC.
- (5) \_\_\_\_\_ is DG of NCC.
- (6) The NCC established in India in year \_\_\_\_\_.
- (7) \_\_\_\_\_ awareness knew yourself.
- (8) \_\_\_\_\_ is the Supreme Commander of all three armed forces.
- (9) \_\_\_\_\_ is the first rank of Junior Commissioned Officer in Indian Navy.
10. \_\_\_\_\_ is the highest Gallantry award in Indian armed forces.

2. (a) Describe the NCC Organization. 8  
(b) Write a note on the significant role played by any one of the National Hero in freedom movement. 7

**OR**

- (a) India Exhibits Unity in Diversity. Explain 8  
(b) Write NCC Song. 7

[TURN OVER]

3. (a) What is the role of NCC in conservation of water resource?  
(b) What are the bad manners in Drill?

OR

- (a) Explain the safety Measures taken During Camps.  
(b) What is rain water harvesting? What are its advantages for rural areas?

4. (a) Explain the process of communication.  
(b) Give an account of physical and social factors influence in shaping our personality.

OR

- (a) Explain the types of leadership.  
(b) How would we know if someone is not listening to us?

5. Write Short note on any **Three** of the following (ONLY FOR ARMY).

- (1) Badges & Ranks in Army.  
(2) Types of communication  
(3) Assembling & cleaning of 7.62 mm SLR rifle  
(4) Features of wireless technologies  
(5) Kargil War.

OR

- Write Short note on any three of the following (ONLY FOR NAVY)

- (1) Importance of swimming  
(2) Equivalent Ranks in Three Services.  
(3) Names of gallantry award winners.  
(4) SAR organization in the Indian Ocean.  
(5) History of Indian Navy.

OR

- Write Short note on any three of the following (ONLY FOR AIR)

- (1) Ranks in Air Force.  
(2) Rules of the Air.  
(3) Aviation Medicine.  
(4) Laws of motion.  
(5) Development of aviation

[TURN OVER]

FY (A & F) Sem - I

XIV - 2016

Fin. Accounting Q.P. Code : 774600

( 2½ Hours )

[ Total Marks : 75

- N.B. :** (1) All questions are **compulsory**.  
(2) Solve **all** questions after exercising **Internal Option**.  
(3) **Figures** to the **right** indicate **full marks**.  
(4) **Working Notes** should be a part of **your answer**.  
(5) **Use of Simple Calculator** is **allowed**.

1. (a) Fill in the blanks with suitable words and rewrite the sentence (**Any Eight**): **8**
- \_\_\_\_\_ issues accounting standards in India.  
(a) ICAI (b) ICSI
  - \_\_\_\_\_ is non-recurring in nature.  
(a) Capital Expenditure (b) Revenue Expenditure
  - Prepaid expenses are shown as \_\_\_\_\_ in Balance Sheet.  
(a) Current Liabilities (b) Current Assets
  - Discount received is shown on the \_\_\_\_\_ side of Profit and Loss Account.  
(a) Debit Side (b) Credit Side
  - Under \_\_\_\_\_ method it is assumed that goods issued are first units that were purchased.  
(a) Weighted Average (b) FIFO
  - For a sugar mill, sugarcane is a \_\_\_\_\_.  
(a) Raw material (b) Finished good
  - Advertising expenses are allocated on the basis of \_\_\_\_\_.  
(a) Purchases (b) Sales
  - Initial payment made on signing the agreement is \_\_\_\_\_.  
(a) Down Payment (b) Cash Price
  - Sale of scrap appears in \_\_\_\_\_ side of Manufacturing Account.  
(a) Credit (b) Debit
  - Drawings are deducted from \_\_\_\_\_.  
(a) Capital (b) Creditors

**TURN OVER**



(b) Match the following and rewrite (Any Seven) :

Column 'A'	Column 'B'
(1) Going Concern Concept	(a) Current Liability
(2) Sundry Creditors	(b) Intangible Asset
(3) Delivery Van Expenses	(c) AS - 2
(4) Goodwill	(d) Current Asset
(5) Vehicles	(e) Deferred Revenue Expenditure
(6) Depreciation	(f) After payment of last Installment
(7) Loose Tools	(g) Apportioned the basis of Sales
(8) Right of Ownership	(h) Fundamental Accounting Assumption
(9) Preliminary Expenses	(i) Apportioned on the basis of asset value
(10) Retail Method	(j) Tangible Assets

2. Mr. Kavi purchased a motor car on hire purchase system on 1<sup>st</sup> January, 2012 from Mr. Ravi by paying ₹9,000 against delivery. The cash price was ₹51,000. He paid the balance in four instalments at the end of each year on 31<sup>st</sup> December, including interest @ 10%p.a. on cash price, as follows : ₹19,200, ₹14,700, ₹10,500, ₹6,600 respectively. He charged depreciation on motor car @ 10%p.a. on diminishing balance method. Show Kavi's A/c, Interest earned A/c in the books of the Hire vendor. The Hire vendor follows the credit sale method. 15

OR

2. State with reasons whether the following items are capital or revenue :
1. Cost of goodwill purchased. 2
  2. Import duty on raw material purchased. 2
  3. Legal Expenses incurred in raising a debenture loan. 2
  4. ₹2,00,000 received from the issue of further shares. 2
  5. Commission received on sale ₹2,000. 2
  6. Machinery valued at ₹1,20,000, sold for ₹90,000. 2
  7. Stock of ₹25,000 was destroyed by fire of which ₹15,000 was received from the insurance company. 3

TURN OVER

3. Following figures are extracted from the books of Amar Ltd. for the year ended 31<sup>st</sup> March, 2016.

Particulars	Department		
	A (₹)	B (₹)	C (₹)
Stock as on 01-04-2015	45,000	35,000	40,000
Purchases	4,40,000	5,20,000	1,10,000
Return Outwards	40,000	20,000	10,000
Sales	6,10,000	9,25,000	3,20,000
Return Inwards	10,000	25,000	20,000
Wages	8,000	5,000	7,000
Stock as on 31-03-2016	65,000	20,000	10,000

**Additional Information :**

- Good transferred from A to B ₹10,000 and to C ₹8,000.
- Good transferred from B to A ₹6,500 and to C ₹5,600.
- Good transferred from C to A ₹5,000 and to B ₹6,000.
- Telephone charges ₹15,800 to be apportioned in the ratio of 3:1:1 among departments A, B and C respectively.
- Rent ₹24,000 to be distributed as 1:2:1 among departments A, B and C respectively.
- Insurance of goods ₹8,600 to be apportioned in the ratio of closing stock.
- Discount allowed ₹18,000 and Bad debts ₹15,000 to be apportioned in the ratio of sales.
- Income Tax ₹58,000 and legal expenses ₹24,000.

All workings should form a part of your answer.

Prepare Department Trading and Profit and Loss account in columnar form and General Profit and Loss Account for the year ended 31<sup>st</sup> March 2016.

OR

TURN OVER

**Q.P. Code : 774600**

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3. From the following data of Bina Ltd. for the month of September 2016. You are required to prepare the stores ledger by adopting Weighted Average Cost Method :

**Purchases :**

Date	Quantity in kg	Rate per kg (₹)
01-09-2016	2,000	10
02-09-2016	300	12
10-09-2016	200	14
22-09-2016	300	11
27-09-2016	600	13

**Issues :**

Date	Quantity in kg
06-09-2016	1,200
11-09-2016	1,000
25-09-2016	200
29-09-2016	500

**TURN OVER**

4. From the following Trial Balance of Shivaay as on 31<sup>st</sup> Dec. 2015. You are required to prepared Manufacturing A/c, Trading and Profit & Loss A/c. for the year ended 31<sup>st</sup> Dec. 2015 and a Balance Sheet as at the date after making necessary adjustment.

**Trial Balance**

Particulars	Dr (₹)	Particulars	Cr (₹)
<b>Opening Stock :</b>		Capital of Shivaay	1,00,000
Raw Material	3,500	Sundry Cr.	10,000
Work in Progress	7,500	Sales	1,20,000
Finished Goods	4,000	Return Outward	1,000
Purchase of Raw Materials	82,000	Old R.D.D	400
Return Inwards	2,000	Discount	400
Sundry Debtors	20,600	Bad Debts Recovery	1,200
Furniture & Fixtures	5,000		
Power and Fuel	200		
Carriage Outward	500		
Office Rent and Taxes	4,600		
Printing & Stationery	800		
Factory Expenses	400		
Postage	800		
Insurance Charges	700		
Salaries to Staff	21,300		
Cash & Bank Balance	26,700		
Drawings	16,000		
Wages	11,400		
Plant & Machinery	25,000		
<b>Total</b>	<b>2,33,000</b>	<b>Total</b>	<b>2,33,000</b>

**Adjustment :**

- (a) Stock as on 31<sup>st</sup> December 2015 : Raw Material ₹2,000, Work in Progress ₹8,000 and Finished goods ₹4,600.  
 (b) Prepaid Insurance ₹300.

**TURN OVER**

- (c) Provide Depreciation on Furniture and Fixture at 5% and on Plant and Machinery at 20%p.a.
- (d) Write off Bad-Debts ₹600 and maintain Reserve for doubtful debts at 5% on Sundry Debtors.
- (e) Good distributed as free samples worth ₹4,000 in order to increase the sales.

OR

4. (a) Determine the value of stock to be taken in the Balance Sheet as on 31<sup>st</sup> March, 2016 in the books of Sutej Ltd. on the basis of information given below : 10

The stock was physically verified on 27<sup>th</sup> March, 2016 and was valued at ₹6 lakh.

Between 27<sup>th</sup> March, 2016 and 31<sup>st</sup> March, 2016 following transactions occurred :

- (a) Purchases of ₹50,000 of this goods worth ₹20,000 were delivered on 3<sup>rd</sup> April, 2016.
- (b) Out of goods sent on consignment, goods worth ₹30,000 (at cost) were unsold.
- (c) Sales was of ₹1,70,000. This includes goods worth ₹40,000 sent on approval Half of these were returned before 31<sup>st</sup> March. As regards remaining, no intimation was received.
- (d) Normally, the firm sells goods on cost plus 25%. However, a lot of goods costing ₹30,000 was sold at ₹15,000.

- 4 (a) Sulekha Publishers Co. Ltd. supplied the books of ₹2,50,000 to Suraj Book Stores Ltd., as per their order. Suraj Book stores intimated to Sulekha Publishers Co. Ltd. that the books are as per their order. Comment on whether it should be recognised as revenue. 5

TURN OVER

**Q.P. Code : 774600**

7

5. (a) What are the different basis of apportionment for distribution of different expenses amongst various departments? Explain the procedure by giving examples of expenses along with their appropriate basis. 8
- (b) What are the features of Hire Purchase System? Distinguish between Hire Purchase and Installment Sale. 7

**OR**

5. Write a Short Notes on (Three out of Five) : 15
- (a) Importance of Accounting Standards
  - (b) Disclosure requirement as per AS - 1
  - (c) Deferred Revenue Expenditure
  - (d) Prepaid Expenses and Outstanding Expenses (Explain with examples)
  - (e) Transactions excluded under AS - 9

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FY (A&F) Sem-I

NOV-2016

Fin. Management QP Code : 774802

(2 ½ Hours)

[ Total Marks :75

- N.B. :** (1) All questions are **compulsory** each carrying 15 marks.  
(2) Use of only simple calculator is permitted.  
(3) Working notes should form part of your answer.

1. (A) Fill in the blanks: (Any 8)

8

- (1) The two main objectives of Financial Management are \_\_\_\_\_ maximisation and wealth maximisation.
- (2) Present Value is the current value of a \_\_\_\_\_ amount.
- (3) Sales - Variable Cost = \_\_\_\_\_.
- (4) \_\_\_\_\_ leverage is also known as trading on Equity.
- (5) Fixed dividend is paid on \_\_\_\_\_ share capital.
- (6) \_\_\_\_\_ cost of capital is the cost of additional amount of capital which is raised by a firm for current/fixed capital investment.
- (7) Under \_\_\_\_\_ facility given by bank, customers are allowed to withdraw in excess of credit balance standing in their Current Account.
- (8) In \_\_\_\_\_ interest, interest is earned on the earlier interest as well as on the original principal.
- (9) The price at which the debentures are currently sold or bought is called the \_\_\_\_\_ value
- (10) If earning before tax is Rs \_\_\_\_\_ and tax rate is 20% then earning after tax will be Rs.1, 60,000.

(B) Match the Column (any 7)

7

- | A                              | B                                       |
|--------------------------------|---|
| 1. Equity share capital        | (a) Affected by tax rate                |
| 2. Operating leverage          | (b) Minimum required rate of earning    |
| 3. Capital structure           | (c) No fixed dividend                   |
| 4. Simple interest earned      | (d) Par, premium or discount            |
| 5. Financial leverage          | (e) Can be secured or unsecured         |
| 6. Cost of capital             | (f) Shows different sources of finance. |
| 7. Debentures can be issued at | (g) Money market instrument             |
| 8. Commercial Paper            | (h) Affected by fixed cost              |
| 9. Loan taken                  | (i) Least costly source of finance      |
| 10. Retained earnings          | (j) On Principal amount                 |

[TURN OVER]

2. (A) Mr. Rohan has following investments in two Banks I and II:

	Bank I	Bank II
Amount invested (₹)	1,20,000	6,00,000
Compounded Rate of Interest	10% p.a.	8% p. a.
Period	3 Years	3 Years

Calculate the Future value of investment at the end of 3<sup>rd</sup> year.

- (B) Calculate the present value of annuity of ₹10,000 received annually for five years when discounting factor is 10%

OR

2. Find the present value of the Cash flow in following two Cases.

Year	Cash Flow (₹)
1	10,000
2	15,000
3	18,000
4	14,000
5	12,000

Case I : Discount Factor 10%

Case II : Discount Factor 12%

P V factor of ₹ 1 :

Year	1	2	3	4	5
10%	0.909	0.826	0.751	0.683	0.621
12%	0.893	0.797	0.712	0.636	0.567

[TURN OVER]



3. Following are the details available of X Ltd.

Annual Sales ₹ 6,00,000

Variable cost ₹ 4,00,000

Fixed cost :	Situation	I	₹	50,000
	Situation	II	₹	80,000
	Situation	III	₹	1,00,000

The company has 10% debentures of ₹ 1,00,000

Calculate the following in all three situation :

- (1) Operating Leverage
- (2) Financial Leverage
- (3) Combined Leverage

OR

3. Following are the details of two companies

15

Particulars	Robot Ltd.	Matrix Ltd.
Number of units sold p.a.	60,000	70,000
Selling price per unit	₹ 30	₹ 40
Variable cost per unit	₹ 10	₹ 12
Fixed cost	₹ 2,00,000	₹ 3,00,000
The Company has 12% Debentures	₹ 1,00,000	₹ 1,50,000

Calculate :

- (i) Operating leverage
- (ii) Financial Leverage
- (ii) Combined Leverage.

4. Company 'P' issues 12% 2,000 Debentures of ₹ 100 each and company 'Q' issues 15% 3,000 Debentures of ₹ 100 each. 15

The debentures are redeemable after 8 years. Both companies are in tax bracket of 30%. Calculate the cost of debt after tax for both companies if the Debentures are issued at.

- (1) Par
- (2) 10% discount
- (3) 10% premium

OR

[TURN OVER]

4. Following are the details of two companies A and B

Sources of Finance	Company A		Company B	
	Amount (₹)	After tax cost of Capital	Amount (₹)	After tax cost of capital
Equity share capital	3,00,000	15%	4,50,000	15%
Debentures	1,00,000	6.3%	3,50,000	7.5%
Retained earnings	1,20,000	11%	1,00,000	13%
Preference share capital	80,000	8%	1,00,000	11%

Calculate Weighted Average Cost of Capital of two Companies A and B.

5. (A) What do you mean by Financial Management? Give its importance. 8  
 (B) Explain share capital as one of the sources of finance. 7

OR

5. Write short notes on (Any 3): 15

- (1) Cost of capital
- (2) Financial Leverage
- (3) Concept of Time value
- (4) Retained earnings as a source of finance
- (5) Wealth maximisation

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FY (A & F) Sem - I  
Nov - 2016  
Cost Accounting

QP Code : 774700

(2½ Hours)

[ Total Marks : 75

- N. B. :** (1) Each question carries **15** marks.  
(2) Working notes should form part of your answer.  
(3) Use of simple calculator is permitted.

1. (A) Select the correct alternative and rewrite the sentences. (any **eight**) **8**
- (i) Cost accounting is an important system developed for \_\_\_\_\_.
- (a) Shareholders (b) Management  
(c) Government (d) Financial institutions
- (ii) The cost which remains constant irrespective of output upto capacity limit is \_\_\_\_\_.
- (a) Fixed cost (b) product cost  
(c) Variable cost (d) Sunk cost
- (iii) The function of purchase department is \_\_\_\_\_.
- (a) purchase of materials (b) sale of scrap  
(c) production of goods (d) none of the above
- (iv) A store ledger is \_\_\_\_\_.
- (a) an evidence of delivery of materials  
(b) a ledger of the supplier  
(c) a ledger which shows movement of each item of materials  
(d) none of the above
- (v) Stores department maintains a record in which a separate folio is maintained for each item \_\_\_\_\_.
- (a) stores ledger (b) stock register  
(c) Bin card (d) Bill of materials
- (vi) Time booking is essential for \_\_\_\_\_.
- (a) record purpose (b) costing purpose  
(c) controlling purpose (d) none of the above
- (vii) The method of remuneration to give stability of labour cost of the employers is \_\_\_\_\_.
- (a) straight piece work (b) premium bonus  
(c) measured day work (d) none of the above

[ TURN OVER

(viii) The allotment of whole items of cost to cost unit is called \_\_\_\_\_.

- (a) cost allocation (b) cost apportionment  
(c) cost classification (d) overhead absorption

(ix) The process by which cost items are charged direct to a cost unit is called \_\_\_\_\_.

- (a) absorption (b) apportionment  
(c) allocation (d) allotment

(x) The resources that have been used for attaining a particular objective is \_\_\_\_\_.

- (a) Revenue (b) cost  
(c) profit (d) investment

(b) State whether the following statements are True or False (any seven) :- 7

- (i) Cost accounting is an essential tool of management.  
(ii) Fixed cost changes according to the level of activity.  
(iii) Purchase order is an order to stores department to issue materials.  
(iv) Purchase requisition requests the supplier to supply materials.  
(v) Valuation of closing stock is the same under FIFO & LIFO method.  
(vi) Time book records time of arrival & departure of each worker.  
(vii) Dearness allowance is linked with cost of living index.  
(viii) Allocation & apportionment of overheads means the same thing.  
(ix) Underabsorption of overheads decreases profit in costing books.  
(x) Costing system helps in measuring profits.

2. Classify the following items :-

15

(A) On the basis of traceability to product :-

- (i) Cost of cotton in textile industry  
(ii) Carriage expenses for raw material  
(iii) Cost of Gunny bags in cement manufacturing unit

[ TURN OVER

- (iv) Factory security staff wages
  - (v) Lighting in the factory
- (B) On the basis of behaviour to change in level of activity :-
- (i) Office insurance charges
  - (ii) Customs duty on raw material
  - (iii) Cost of raw material
  - (iv) Manager salary
  - (v) Factory insurance
- (C) On the basis of functions :-
- (i) Salesman salary
  - (ii) Printing & stationery
  - (iii) Exhibition expenses
  - (iv) Depreciation on furniture
  - (v) Trade fair expenses

**OR**

2. Two components X & Y are used as follows :

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Normal usage : 300 units per week each

Maximum usage : 450 units per week each

Minimum usage : 150 units per week each

Reorder quantity : X – 2400 units

Y – 3600 units

Reorder period : X – 4 to 6 weeks

Y – 2 to 4 weeks

Calculate for each component :

- (i) Reorder level
  - (ii) Minimum level
  - (iii) Maximum level
  - (iv) Average stock level
3. Prepare stores ledger A/c on the basis of FIFO & weighted average methods of pricing the issue of stores using the following information :

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Mar. 1 Opening stock 300 units @ 9.70 per unit

Purchases :

Mar. 3	250 units @ 9.80 per unit
Mar. 15	300 units @ 10.05 per unit
Mar. 25	150 units @ 10.30 per unit

[ TURN OVER