



THE AMERICAN COLLEGE, MADURAI

(An Autonomous Institution Affiliated to Madurai Kamaraj University)
Re-accredited (2nd Cycle) by NAAC with Grade "A", CGPA – 3.46 on a 4-point scale

Backlog Arrear Examination, March 2021

CMC 1222

FUNDAMENTALS OF COSTING

Time: 2 Hrs.

Marks: 60.

Part - A

Answer any **FOUR** of the following Questions:

(4 x 15 = 60)

1. Analyse the various elements of cost.
2. Describe the advantages and limitations of costing.
3. Explain the following
 - a. Stock Level
 - b. Bin Card
 - c. ABC Analysis
 - d. Store Ledger
4. Mr. Amars's Televisions is a business in New York City. Amar has been in operation now for a year. This is what his inventory costs looks like:

Month	Amount	Price Paid
January	100 Units	Rs.800.00
February	100 Units	Rs.800.00
March	100 Units	Rs.825.00
April	100 Units	Rs.825.00
May	100 Units	Rs.825.00
June	100 Units	Rs.850.00
July	100 Units	Rs.850.00
August	150 Units	Rs.875.00
September	150 Units	Rs.875.00
October	150 Units	Rs.900.00
November	150 Units	Rs.900.00
December	150 Units	Rs.900.00

1450 units acquired.

Units = Televisions.

The unit price of televisions is steadily increased. Assuming Amar kept his sales prices the same (which he did, in order to stay competitive), this means there was less profit for Amar's Televisions by the end of the year.

For the year, the number of televisions sold was 1100.

Calculate cost of goods sold using FIFO and LIFO method

5. Calculate the earnings of worker A, B and C under straight piece rate system and Merrick's multiple piece rate system from the following particulars:
- | | |
|------------------------|----------|
| Normal rate per hour | Rs. 1.80 |
| Standard time per unit | 1 minute |
- Output per day is as follows:
Worker A: 384 units
Worker B: 450 units
Worker C: 552 units
Working hours per day are 8.
6. Analyse the various kinds of budgets