**Model Questions for Online End Semester Examination**

1. You are appointed as Cost Accountant of Raj Manufacturing Company, a newly formed organization being a head of the costing department; how will you devise the costing system in the organization to give blend of efficiency and economy. Justify the same. Also what principles you will suggest for governance of good costing system in the proposed company.

**Hints:** (Installation of costing system and essentials of good costing system, page 1.31 and 1.35 of the book)

1. The management of Anish Ltd worried for the labour turnover and wants to prepare a report to be placed before top management, giving a breakdown of the causes as to why the workers left. Also want to know the measures to control the labour turnover. You are the HR Department head of Anish Ltd, prepare the report taking into relevant factors into consideration which is to be placed before the to management.

**Hints:** causes of labour turnover page-3.6 and reduction and control of labour turnover page-3.7)

1. Your factory buys and uses a component for production at Rs.10 per unit. Annual requirement is 2,000 units. Carrying cost is 10 % p.a, ordering cost is Rs.100 per order. The purchase manger argues that as the ordering cost is very high, it is better to revisit the existing purchase policy and suggests purchasing entire purchase (2,000 units) at once at a discount price of 5% from the supplier and alternatively purchasing annual requirement twice a year at a discount of 3% on purchase price per unit.

Evaluate the proposal and make your recommendations.

**Hint**- Modified question of RTP question-6

1. After inviting tenders, two quotations are received as under:

Supplier- Olam- Rs.2.20 per unit

Supplier-Alam- Rs2.10 per unit plus Rs.2,000 fixed charges irrespective of units ordered.

Calculate the order quantity for which the purchase per unit will be the same. Considering all factors regarding production requirements and availability of finance. The purchase officer wants to place an order for 15,000 units .Which supplier should be selected?

**Hint**- Question 8 of RTP

1. You are the production manager of CM Ltd and provided with the following data for 1,500 units for the year 2019.

Cost of materials- Rs1,20,000, Salaries (fixed)- Rs90,000, Wages- Rs1,80,000, Factory expenses Rs75,000, Rent, rate and insurance- Rs15,000, Selling expenses- Rs45,000, General expenses ( fixed)- Rs30,000, Sales- Rs6,00,000.

The sales manager of the company estimates the sales during next year will be 2,000 units. Prepare a statement showing the estimate cost for 2,000 units and the sales price per unit to earn 20% profit on selling price to be submitted to the MD of the CM Ltd for finalization of the order. However the additional information for the year 2020 are as below for your consideration and this is to be incorporated in preparation of cost estimation

Rise in price of raw materials by 20%.

Wages will up by 5%

Office expenses will remain same and other factory and selling expense will change proportionately.

**Hints-** Question 25 of RTP (last question)