



UNIVERSITY OF NORTH BENGAL

B.Com. Honours Part-II Examination, 2021

B.COM.

PAPER-2H3

PRODUCTION MANAGEMENT AND COST ACCOUNTING

Full Marks: 100

ASSIGNMENT

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

All symbols are of usual significance.

GROUP-A

PRODUCTION MANAGEMENT

(MARKS: 60)

Answer any two questions

30×2 = 60

1. Define 'productivity'. Explain the important methods of measuring productivity. 5+10+10+5
Discuss the factors affecting productivity. Discuss how productivity and wastage of resources are related.
 2. (a) How efficiency of labour can be improved by Motion Study and Time Study? 8
(b) How will you measure labour turnover? Why we should try to avoid high labour turnover? 5+5
(c) From the following information calculate effective wage rate of each of the workers under Halsey Plan (60% to worker) and Rowan Plan: 12
- | | Worker X | Worker Y |
|--------------------------|----------|----------|
| Time Taken (Hours) | 16 | 20 |
| Time Saved (Hours) | 4 | 6 |
| Wage Rate per hour (Rs.) | 7.50 | 11 |
3. (a) How "Classification and Codification" and "Standardization and Simplification" help in material control? 8
(b) When and why do you advocate pricing the issues of materials under FIFO and LIFO method? 7

- (c) From the following information find: (i) EOQ, (ii) Re-order Level, (iii) Minimum Stock Level, (iv) Maximum Stock Level and (v) Safety Stock Level:

Annual Consumption: 1,70,000 units.

Consumption per week of 6 days (in units): Minimum- 1620, Normal- 3180, Maximum- 4500

Lead Time (in days): Minimum- 3, Normal- 5, Maximum- 9

Ordering Cost per order: Rs. 260

Carrying Cost per unit per quarter: Re. 0.75.

GROUP-B

COST ACCOUNTING

(MARKS: 40)

Answer any two questions

20×2 = 40

4. (a) What do you mean by allocation and apportionment of overheads? 5+15

- (b) A machine was purchased on January 1, 2019 for Rs. 5 lakhs. The total cost of all machinery inclusive of the new machinery was Rs. 75 lakhs. Following further particulars are available:

Expected life of the machine- 10 years

Scrap value at the end of ten years- Rs. 5,000

Repairs and maintenance for the machine during the year- Rs. 2,000

Expected number of working hours of the machine per year- 4, 000 hrs

Insurance premium annually for all the machines- Rs. 4,500

Area occupied by the machine- 100 sq. ft.

Area occupied by other machines- 1500 sq. ft.

Rent per month of the department- Rs. 800

Lighting charges for 20 points for the whole department out of which three points are for the machine Rs. 120 per month.

Compute the machine hour rate for the new machine on the basis of the data given above.

5. A manufacturer produces a product which passes through three distinct processes- A, B and C. The output of each process passes immediately to the next process and finished units are passed from process C into stock. From the following information relating to the processes, prepare: Process Accounts, Normal Loss A/c, Abnormal Loss A/c and Abnormal Gain A/c. 20

	Processes		
	A	B	C
Materials consumed (Rs.)	16,000	11,000	9,000
Direct Labour (Rs.)	13,000	18,000	8,000
Manufacturing Expenses (Rs.)	2,000	4,000	3,000
Normal Loss (as % of units of input)	2	5	10
Selling price of scrap (Rs. per 100 units)	5	7	20
Output (units)	19,500	18,400	17,000

During the period 20,000 units have been issued to Process A at a cost of Rs. 24,000. There was no work-in-progress in any process.

6. Write short notes on: 5×4 = 20
- (a) Objectives of C-V-P analysis
 - (b) Work-in-progress of a Contract
 - (c) Cost Centers and Cost Units
 - (d) Overhead Absorption Rates.

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