

Answer any two question from this section

Pg138 1. Write short notes on the following

- i. Labor turnover
- ii. Overtime premium
- iii. Bonus
- iv. Pay slip

Pg54 2. State three characteristics each of direct cost and indirect cost.

Pg 29 3. State five activities likely to be undertaken by a cost accounting department of a manufacturing company.

Pg143. 4. Explain the following terms in labour remuneration

- i. Time allowed
- ii. Time saved
- iii. Time taken
- iv. Piece rate
- v. Time saved

Answer any three questions from this section

5. Longa limited produces biscuits for export due to increase demand, the business decided to pay overtime at time and a quarter to employees.

The basic pay is determined by the normal working hours of 160 hours for a month.

Details of activities of workers for December 2020 are as follows:

<u>Employees</u>	<u>Wafe rate per hour</u>	<u>Number of hours worked</u>
Alifa	12	180
Obinna	16	160
Amadou	8	220

Workers contribute 5% of their basic wafe to social security fund

Income tax is payable as follows:

First 1,000 – free

Above 1,000 – 10%

You are required to prepare a payroll for Longa limited for December 2020.

6. The following information relates to the stores records of a business for the year 2012.

<u>Date</u>	<u>Details</u>
2/2/12	Received 400 units @ ₦ 100.00
12/2/12	Received 300 units @ ₦ 150.00
3/5/12	Issued 350 units
6/6/12	Received 100 units @ ₦ 110.00
12/8/12	Issued 110 units

15/10/12	Recovered 240 units @ ₦ 150.00
14/11/12	received 800 units @ ₦ 120.00
28/12/12	Issued 460 units

Note:

The company uses a standard price of ₦ 120.00. You are required to prepare the stores accounts using the following bases of pricing.

- i. Simple average
- ii. Standard price

7. Momo enterprise employed three workers of different grades namely, ben, Moro and Bass who work for a normal period of 18 hours a month.

The following information was made available for the month of October 2012.

	<u>Ben</u>	<u>Moro</u>	<u>Bass</u>
Time taken (hrs)	14	12	16
Rate per hour	le 25	le 30	le 24

You are required to calculate

- a. Bonus of each employee for the month, using Halsey's premium bonus
- b. Total earning of each employee for the month, using roman's premium bonus scheme.

8. The cost Accountant of the business students company prepared to the following stores ledger account.

Material

Maximum level

Bill No

Minimum level

Code No

C O L.....

DATE	RECEIVED			ISSUED			BALANCE		
SEPT	QTY	RATE	AMOUNT	QTY	RATE	AMT	QTY	RATE	AMT
1							400	200	80,000
3	200	100	20,000				200	100	20.000
12	100	150	15,00				100	150	15,000
14				100	150	15000	400	200	80,000
				50	100	5000	150	100	15,000
18				100	100	10,000	400	200	80,000
							50	100	5,000
20	200	100	20,00						
24	100	150	15,000						
26				250					
28	200	100	20,000						
30				250					

You are required to complete the stores ledger account following the method adopted by the accountant.

9. The following cost details have been provided by Nerva Manufacturing Company for the year 2018.

<u>Cost item</u>	<u>Amount (D)</u>
Raw materials	44,300
Factory wages	30,600
Royalties	5,200
Management salaries	9,900
Stationery	1,600
Primary packaging	1,200
Secondary packaging	2,600
Advertising	4,200
Delivery Van expenses	2,200
Machine depreciation	6,200

You are required to classify the costv items under the following bases and compute the total of each class.

SECTION A

ANSWER ALL QUESTIONS IN THIS SECTION

1. Which of the following is costing techniques
 - a. Absorption costing
 - b. Batch costing
 - c. job costing
 - d. service costing

2. Service costing method is applied in
 - a. Banking operations
 - b. Carpentry work
 - c. petroleum production
 - b. road construction

3. Which of the following is not a costing method.
 - a. Batch costing
 - b. job costing
 - c. marginal costing
 - d. process costing

4. The most important function of cost accounting can be said to be
 - a. Cost control
 - b. cost estimation
 - c. cost ascertainment
 - d. cost reduction

5. Cost which remain constant irrespective of volume of output or sales is described as;
 - a. Variable cost
 - b. semi-variable
 - c. Fixed cost
 - d. semi-fixed

6. Classification of cost into materials labor and expenses is by
 - a. Function
 - b. nature
 - c. behavior
 - d. allocation

7. Remuneration of foremen and supervision in production department are classified as
 - a. Direct wages
 - b. indirect wages
 - c. direct expenses
 - d. electricity charges

8. Which of the following is a prime cost
- a. Royalties payable b. salary of foremen c. rent payable d. electricity charges
9. Overheads incurred in directing, controlling and management to achieve its aims are
- a. Administration overhead b. distribution overhead c. production overhead
D) Production over head
10. The sum of indirect material cost, in direct labor and indirect expenses is
- a. expenses b. overhead c. period cost d. prime cost
11. Which of the following is not an element of cost?
- a. overhead b. material c. labor d. expenses
12. Raw cotton used in the manufacture of cloth is
- A. Direct Cost B. fixed cost c. Sink cost D. unit cost
13. Types for a motor car are an example of
- a. Indirect maternal b. overhead costs c. direct maternal d. direct expenses.
14. Maternal specification codes takes the form of
- a. Colors b. percentage c. symbols and numbers d. statistical data
15. Classification and coding of materials in stores enable organizations to
- a. easily identify materials
- b. prevent deteriorate of materials
- c. reduce purchasing cost

d. speed up purchasing materials.

16. Which of the following is not a type of stock

A. finished goods b. work in progress c. materials d. furniture

17. Goods that are ready for sales are classified as

a. consumable stock b. cost of goods sold c. finished goods d. working in progress

18. A copy of the purchase order is sent to the following except the

a. supplier b. stores c. sales department d. Accounting department.

19. Physical stock count may be different from book records due to

- a. Keeping too little stock
- b. keeping too much stock
- c. delayed stock taking
- d. over and under issue of stock

20. A schedule of parts and material prepare for a particular order is known as

A. specification of materials B. Invoice c. goods received noted. D. preformat note

21. A store requisition is usually sent from

A. production to stores b. suppliers to production c. Accounts to purchasing
d. purchasing to stores

Use the data below to answer question maximum consumption 16,000 units

Minimum consumption 6000 units

Maximum lead-time 6 months

Minimum lead-time 2 month

Re-order quantity 18,000 units

22. What is the re-order level?

A. 32,000 UNIT b. 36000 units c. 96,000 units D. 108,000 units

23. Calculate the maximum stock level?

a. 96,000 unit's b. 102000 unit's c. 114000 unit's d. 140.000

24. Which of the following constitutes the largest proportion of the total cost of a typical manufacturing concern?

a. labor b. material c. overhead d. expenses.

25. Quotation are normally invited from supplier upon receipt of

a. stores voucher b. purchase order c. stores requisition d. purchase requisition

7. A codification system whereby alphabets are combined with numbers is called

A. Numeric b. Alphabetical c. Alpha-tenic d. Alpha –numeric

27: A good codification system should have the following qualities except

a. Uniqueness b. distinctiveness c. ambiquisity d. uniformity

28. A system of symbols designed to be applied to a set of classified items to give brief accurate facilitating entry is called.

- a. classification b. indexing
- c. Coding stock pricing

29. Which of the following is odd

- a. stock card b. bin card c. stock card d. stores ledger

30. Which of the following is not a method of pricing issues from stores

- a. standard price b. fixed prices c. first in first out d. simple average

Use the following information to answer questions 31...

5th January 2007 purchased 100 unit @ d. 4.00 for each

10th January 2007 purchased 150 units @ D.5.00 EACH

12th March 2007 sold 180 units

31. What is the value of closing stock based on the Fofo methods of pricing issues?

- a. D 750.00 b. 400.00 c. 350.00 d. 280.00

32. The value of closing stocks using LIFO is a. D750 B. D. 400 C.
D350 D.D380.00

33. All the following method of pricing issues are accepted by the internal revenue service except.

A. LIFO B. FIFO C. Average price D. SPECIFIC PRICE

34. Material pricing method that balance of value figures with the balance of units figures.

a. replacement price b. simple averaged c. standard price d. last in first out

35. The main problem involved in pricing issues is

a. price fluctuation b. innumerable c. sensitivity & profits calculations d. method inflation.

36. The method employed by employees to obtain the particulars of work done and time spent on each order operation is

a. job carding

b. job recoding

c. Time Booking

d. gate time keeping

37. Which of the following is not recorded on the time sheet?

a. direct material b. direct wages c indirect wages d. idle time.

38. The system a remuneration a labor that considers time saving is

a. Day rate b. piece rate c. piecework with guarantee d. Premium bonus.

39. Bonus is normally paid on

A. hours saved b. maintenance of time c. product quantity d. schedule savings on expenditure

40. Which of the following is not a bonus scheme.

A. payroll b. payment voucher c. wages sheet d. pay slip

41. Which bonus scheme shares the time saved 50-50 with the employer and the employee.

A. Haley scheme b. roman scheme c. Haley-weir scheme d. Roman and Halley

42. Which of the following is not a method used in recording labor time?

a. stock card b. clock card c. Hand written records d. disc method

43. The monetary earnings, which include time rate, payment by performance and other financial incentives given to labor, are referred to as

a. Benefits b. bonus c. overtime d. remuneration

44. One statutory item to deduct from an employee's earnings is

a. welfare dues b. income taxes. c. car loan d. union dues

45. What is the term used to describe the practice of charging an overhead directly to the incurred it.

a. overhead absorption b. overhead appointment c. overhead classification d. overhead allocation

47. Power rating of machinery will be an appropriate basis for appointment

a. depreciation b. electricity c. rate d. distribution

48. Overheads incurred to reduce customers to place order etc.....

a. Distribution overheads b. production overhead c. administration overheads
d. selling overhead

49. Insurance of motor vehicles is usually apportioned based on

a. value of the vehicle b. weight of the vehicle c. engine capacity d. garage space

50. Which of the following is an overhead

a. Wood for furniture b. cartons for cigarette c. pistores for a car.
c. lubricating oil