

SECTION-B

2. Monthly requirement of material X = 200units

Ordering cost per order = Rs.18

Carrying cost per unit per annum = Rs.0.15

Normal lead time = 1.5 months

Safety stock = 600units

Find EOQ and Re order level.

3. Time allowed for a work is 40hours

Actual time taken by worker = 25hours

Normal wage rate = Rs. 6per hour

Find the earnings for 25 hours time worked under Halsey and Rowan method.

4. Define Normal and abnormal process losses, explaining the possible causes.
5. Assuming that the cost structure and selling prices remain the same in period 1 and II, find out :
- Profit Volume Ratio
 - Fixed Cost
 - Break Even Point for Sales

Period	Sales (Rs.)	Profits (Rs.)
I	1,00,000	9,000
II	1,20,000	13,000

6. What is Budgeting? Explain its advantages and limitations.
7. Explain the following terms in relation to Activity Based Costing :
- Cost object
 - Cost driver
 - Cost pool

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