

DIPLOMA OF VOCATION
Mechanical Manufacturing
Subject: Estimating & Costing
Subject Code: IMS-401
Semester: Third
January 2021
Theory (External): 70 Marks
Time: 03 Hours

Instructions to the Students

1. This Question paper consists of two Sections. All sections are compulsory.
2. Section A comprises 10 questions of objective type in nature. All questions are compulsory. Each question carries 2 marks.
3. Section B comprises 8 essay type questions out of which students need to do any 5. Each question carries 10 marks.
4. Read the questions carefully and write the answers in the answer sheets provided.
5. Do not write anything on the question paper.
6. Wherever necessary, the diagram drawn should be neat and properly labelled

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SECTION –A (SHORT/OBJECTIVE TYPE QUESTIONS)
(10x2=20 Marks)

- A. What is the basic concept of cost concept?
- a) Cost ascertainment
 - b) Tax compliance
 - c) Financial audit
 - d) Profit analysis
- B. Process costing is appropriate for which firm?
- a) Bricklaying firms
 - b) Transport firms
 - c) Hospitals
 - d) Oil refining firms
- C. In how many ways cost classification can be done?
- a) Three ways
 - b) Two ways
 - c) Four ways
 - d) Many ways
- D. Which cost is incurred even if the company is closed?
- a) Sunk cost
 - b) Historical cost
 - c) Shutdown cost
 - d) Imputed cost
- E. Direct expenses are also known as
- a) Overhead expenses
 - b) Sundry expenses
 - c) Chargeable expenses
 - d) Major expenses
- F. Warehouse rent is a part of which cost?
- a) Production cost
 - b) Distribution cost
 - c) Prime cost
 - d) Factory cost
- G. What is tender?
- a) Estimation of cost
 - b) Estimation of profit

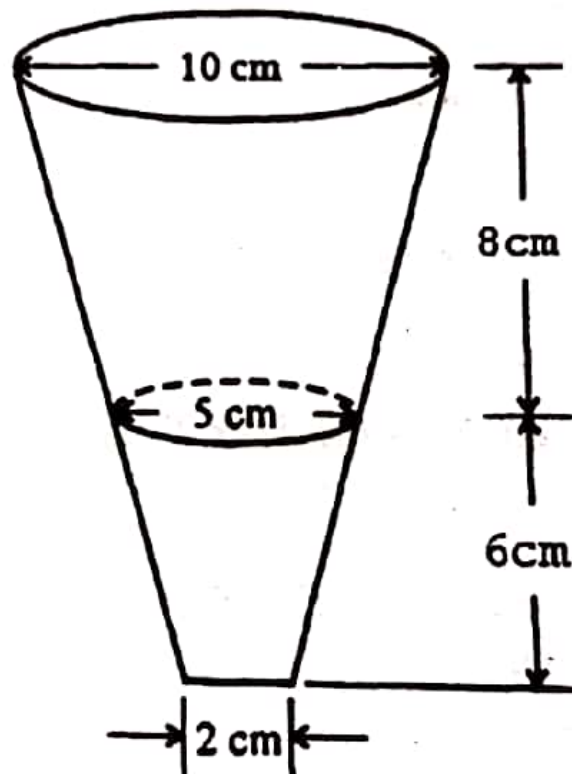
- c) Estimation of units
 - d) Estimation of the selling price
- H. A total of all the direct costs is known as
- a) Cost of production
 - b) Cost of sales
 - c) Prime cost
 - d) Works cost
- I. Brick walls are measured in sq. m if the thickness of the wall is
- a) 10 cm
 - b) 15 cm
 - c) 20 cm
 - d) None of these
- J. Toy manufacturing companies use what type of costing?
- a) Multiple costing
 - b) Process costing
 - c) Unit costing
 - d) Batch costing

SECTION – B (ESSAY TYPE QUESTIONS)
(5×10 = 50 Marks)

1. Define cost accounting? Explain the objectives and limitation of Cost accounting?
2. What is depreciation? Explain different methods of calculating depreciation with help of examples.
3. (a) What are the functions of Cost estimation?
 (b) Rate of Return on Investment
4. (a) State the causes for depreciation
 (b) An industrial plant with an initial value of Rs 2, 00,000 and salvage value of Rs 20,000 at the end of 20 years were sold for Rs 1, 45,000 at the 10 years. What is the profit or loss, if sinking fund depreciation at 8% compounded annually was adopted?
5. (a) Draw the Block diagram to show the relationship between elements and Components of cost.

(b) A small firm is producing 100 pens per day. The direct material cost is found to be Rs 160, direct labour cost is Rs 200 and factory overheads are Rs 250. If the selling on cost is 40% of the factory cost, what must be the selling price of each pen to realise a profit of 14.6% of the selling price?

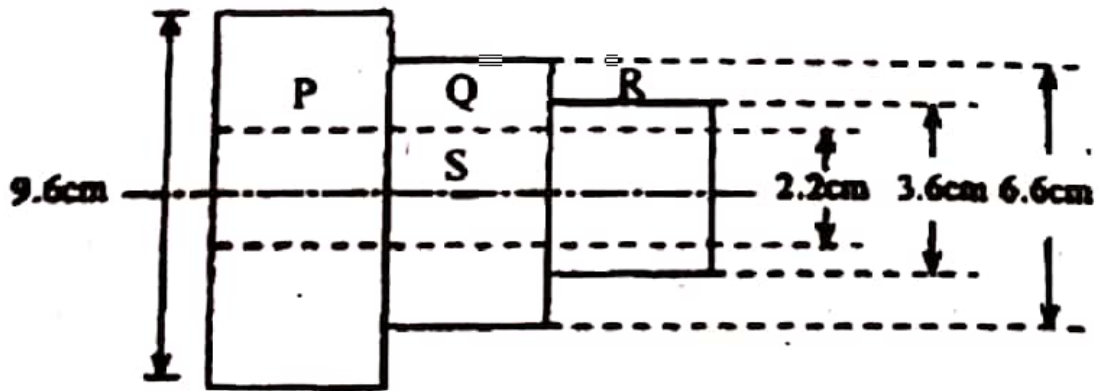
6. Estimate the cost of metal sheet for preparing a funnel as shown in fig. Assume the wastage of metal as 10% and cost of the sheet as rs. 30/m².



7. Find the cost of 1000 C.I. pulleys as shown in fig. using the following data :

- (i) Cost of material rs. 20/kg
- (ii) No. of moulds prepared by a pair of workers per day = 25
- (iii) Wages paid to the moulder per day = rs. 40
- (iv) Wages paid to the helper per day = rs. 25
- (v) Density of C.I. = 7.2 gm/cc
- (vi) Overhead charges = 30% of metal cost
- (vii) Melting charges = 20% of metal cost

The pattern is supplied by the customer itself and all the surfaces are machined after casting. Machining allowances on each side may be taken as 2 mm.



8.

4 cm 4.6 cm 3.6 cm

Short Note :

- Explain functions of cost estimating.
- Difference between operating time and handling time

==END OF PAPER==