

تمام کلاسز کی حل شدہ مشقیں MrPakistani ویب سائٹ سے فری ڈاؤن لوڈ کریں۔

Allama Iqbal Open University Solved Assignments Spring 2026

Course Code:	462 Code
Course Name:	Cost Accounting
Class:	B.Com/AD
Total Credit Hours	3
Total Assignments	2

گھر بیٹھے حل شدہ مشقیں، گیس پیپرز، کتابیں اور خلاصے حاصل کرنے کے لیے رابطہ کریں واٹس ایپ نمبر: 03036940016

نوٹ: ہم طلبہ کے لیے جامع اور معیاری تعلیمی خدمات فراہم کرتے ہیں۔ ہماری خدمات میں علامہ اقبال اوپن یونیورسٹی کے حل شدہ اسائنمنٹس، گیس پیپرز، سابقہ پرچے، تازہ ملازمتوں کی معلومات، آن لائن سی وی تیار کرنا، ملازمت کے لیے درخواست دینا، یونیورسٹی داخلوں میں رہنمائی اور درخواست جمع کروانا شامل ہیں۔ اس کے علاوہ یونیورسٹی سے متعلق طلبہ کے ہر قسم کے تعلیمی اور رہنمائی کے کام میں مکمل تعاون فراہم کیا جاتا ہے تاکہ طلبہ کو ایک ہی جگہ پر تمام ضروری سہولیات میسر آسکیں۔



واٹس ایپ گروپ جوائن کرنے کے لیے سامنے دیے گئے لنک پر کلک کریں۔



واٹس ایپ چینل جوائن کرنے کے لیے سامنے دیے گئے لنک پر کلک کریں۔



یونیورسٹی کی تمام معلومات حاصل کرنے کے لیے ہمارا واٹس ایپ گروپ جوائن کریں۔

Assignment 2

Q.1 Store Ledger Card – Perpetual Inventory (FIFO, LIFO, Moving Average)

We prepare store ledger card for the transactions. All amounts in Rs.

Initial balance: 400 units @ Rs.50 = 20,000

(A) FIFO (First In First Out)

Date	Receipts	Issues	Balance
01 Nov			400 @ 50 = 20,000
03 Nov	300 @ 55 = 16,500		400 @ 50, 300 @ 55 (total 700 units, 36,500)
07 Nov		100 @ 50 = 5,000	300 @ 50, 300 @ 55 (600 units, 31,500)
15 Nov	200 @ 52 = 10,400		300 @ 50, 300 @ 55, 200 @ 52 (800 units, 41,900)
18 Nov		150 units: first 100 from 300@50, then 50 from 300@55 → cost = (100×50)=5,000 + (50×55)=2,750 = 7,750	Remaining: 200 @ 50? Wait after 07 Nov we had 300 @ 50 and 300 @ 55. Issue 100 from 300@50 left 200@50. Then issue 50 from 300@55 left 250@55. Then add 200@52. After 18 Nov: 200@50, 250@55, 200@52 (total 650 units, value = 10,000+13,750+10,400=34,150)
21 Nov		300 units: first 200 from 200@50, then 100 from 250@55 → cost = (200×50)=10,000 + (100×55)=5,500 = 15,500	Remaining: 0@50, 150@55, 200@52 (350 units, value = 8,250+10,400=18,650)



تمام کلاسز کی حل شدہ مشقیں [MrPakistani](http://MrPakistani.com) ویب سائٹ سے فری ڈاؤن لوڈ کریں۔

25 Nov	150 @ 60 = 9,000		150@55, 200@52, 150@60 (500 units, value = 8,250+10,400+9,000=27,650)
29 Nov		200 units: first 150@55, then 50@52 → cost = (150×55)=8,250 + (50×52)=2,600 = 10,850	Remaining: 0@55, 150@52, 150@60 (300 units, value = 7,800+9,000=16,800)

(B) LIFO (Last In First Out)

Date	Receipts	Issues	Balance
01 Nov			400 @ 50 = 20,000
03 Nov	300 @ 55 = 16,500		400@50, 300@55 (36,500)
07 Nov		100 units from latest (300@55) → 100×55=5,500	400@50, 200@55 (600 units, 31,000)
15 Nov	200 @ 52 = 10,400		400@50, 200@55, 200@52 (800 units, 41,400)
18 Nov		150 units: from 200@52 (latest) 150×52=7,800	400@50, 200@55, 50@52 (650 units, 33,600)
21 Nov		300 units: first from 50@52 = 50×52=2,600, then from 200@55 = 200×55=11,000, then from 400@50 = 50×50=2,500 → total = 16,100	Remaining: 350@50 (350×50=17,500)
25 Nov	150 @ 60 = 9,000		350@50, 150@60 (500 units, 26,500)
29 Nov		200 units: from 150@60 = 9,000, then from 350@50 = 50×50=2,500 → total = 11,500	Remaining: 300@50 (300 units, 15,000)

(C) Moving Average (Weighted Average after each receipt)



یونیورسٹی کی تمام معلومات حاصل کرنے کے لیے ہمارا واٹس ایپ گروپ جوائن کریں۔

تمام کلاسز کی حل شدہ مشقیں [MrPakistani](http://MrPakistani.com) ویب سائٹ سے فری ڈاؤن لوڈ کریں۔

Date	Units	Unit cost	Total value	Avg cost
01 Nov	400	50.00	20,000	50.00
03 Nov	Receipt 300@55 → 16,500. Total units 700, value 36,500		52.14286	
07 Nov	Issue 100 @ 52.14286 = 5,214.29	Balance 600 units, value 31,285.71	52.14286	
15 Nov	Receipt 200@52 = 10,400. Total 800 units, value 41,685.71	52.10714		
18 Nov	Issue 150 @ 52.10714 = 7,816.07	Balance 650 units, value 33,869.64	52.10714	
21 Nov	Issue 300 @ 52.10714 = 15,632.14	Balance 350 units, value 18,237.50	52.10714	
25 Nov	Receipt 150@60 = 9,000. Total 500 units, value 27,237.50	54.475		
29 Nov	Issue 200 @ 54.475 = 10,895	Balance 300 units, value 16,342.50	54.475	

Note: Values rounded to two decimals.

Q.2 Journal Entries for Payroll (Decent Furniture Manufacturing Company)

(a) Financial Accounting Records

1. Accrual of Payroll (at month end)

Account	Debit (Rs.)	Credit (Rs.)
Direct Labour (Wages)	583,200	
Indirect Labour (Factory Overhead)	388,800	
Administrative Salaries	302,400	
Sales Salaries	237,600	
Provident Fund Payable		140,000



یونیورسٹی کی تمام معلومات حاصل کرنے کے لیے ہمارا واٹس ایپ گروپ جوائن کریں۔

تمام کلاسز کی حل شدہ مشقیں [MrPakistani](http://MrPakistani.com) ویب سائٹ سے فری ڈاؤن لوڈ کریں۔

Income Tax Payable		94,608
Salaries & Wages Payable (Net)		1,277,392

2. Payment of net salaries

Account	Debit (Rs.)	Credit (Rs.)
Salaries & Wages Payable	1,277,392	
Cash / Bank		1,277,392

3. Payment of Income Tax to Government

Account	Debit (Rs.)	Credit (Rs.)
Income Tax Payable	94,608	
Cash / Bank		94,608

4. Payment of Provident Fund to Fund

Account	Debit (Rs.)	Credit (Rs.)
Provident Fund Payable	140,000	
Cash / Bank		140,000

(b) Cost Accounting Records

In cost accounting, we allocate wages to respective cost centres.

1. For Direct Labour:

Account	Debit (Rs.)	Credit (Rs.)
Work-in-Process Control (Direct Labour)	583,200	
Wages Payable Control		583,200

2. For Indirect Labour:

Account	Debit (Rs.)	Credit (Rs.)
Factory Overhead Control	388,800	
Wages Payable Control		388,800



یونیورسٹی کی تمام معلومات حاصل کرنے کے لیے ہمارا واٹس ایپ گروپ جوائن کریں۔

3. For Administrative Dept (treated as period cost):

Account	Debit (Rs.)	Credit (Rs.)
Administrative Overhead / P&L	302,400	
Wages Payable Control		302,400

4. For Sales Dept (period cost):

Account	Debit (Rs.)	Credit (Rs.)
Selling & Distribution Overhead / P&L	237,600	
Wages Payable Control		237,600

Then, when paid, a single entry: Wages Payable Control Dr. to Cash.

Q.3 Merrick's Differential Piece Rate Incentive Plan

(a) Functions of Timekeeping Department & Methods for Attendance Control

Functions:

- Recording arrival and departure times of workers.
- Maintaining attendance registers.
- Preparing daily time sheets and job cards.
- Calculating hours worked for payroll.
- Preventing buddy punching and absenteeism.

Methods for controlling attendance:

1. **Time Clock (Biometric / Card)** – Worker punches card or uses fingerprint.
2. **Attendance Register** – Manual sign-in supervised.
3. **Job Cards** – Record time spent on each job.
4. **Electronic Badge System** – Swipe card at entry/exit.
5. **CCTV Monitoring** – Visual verification.



تمام کلاسز کی حل شدہ مشقیں [MrPakistani](http://MrPakistani.com) ویب سائٹ سے فری ڈاؤن لوڈ کریں۔

6. **Mobile/Web-based attendance** – For remote workers.

(b) Wage Calculation under Merrick's Scheme

Given:

Standard production = 1,920 units per month

Basic piece rate = Rs. 5 per piece

Efficiency % = (Actual output / Standard) × 100

Worker A: 2,000 units → Efficiency = $(2,000/1,920) \times 100 = 104.17\%$

Worker B: 1,800 units → Efficiency = $(1,800/1,920) \times 100 = 93.75\%$

Worker C: 2,400 units → Efficiency = $(2,400/1,920) \times 100 = 125\%$

Merrick's Differential Piece Rate Plan:

- Below 100% efficiency → Basic piece rate (guaranteed) = Rs. 5 per piece
- 100% to 120% efficiency → 110% of basic rate = Rs. 5.50 per piece
- Above 120% efficiency → 120% of basic rate = Rs. 6.00 per piece

Wages:

- **Worker A** (104.17%): falls in 100-120% slab → Rs. 5.50 × 2,000 = **Rs. 11,000**
- **Worker B** (93.75%): below 100% → Rs. 5.00 × 1,800 = **Rs. 9,000**
- **Worker C** (125%): above 120% → Rs. 6.00 × 2,400 = **Rs. 14,400**

Q.4 Factory Overhead – Absorption, Variance Analysis

(a) Why actual monthly factory overheads are not used for FOH absorption rate?



یونیورسٹی کی تمام معلومات حاصل کرنے کے لیے ہمارا واٹس ایپ گروپ جوائن کریں۔

تمام کلاسز کی حل شدہ مشقیں [MrPakistani](http://MrPakistani.com) ویب سائٹ سے فری ڈاؤن لوڈ کریں۔

Because actual overheads fluctuate due to seasonal factors, maintenance, holidays, etc. Using actual monthly rate would cause product costs to vary erratically, hampering price decisions and performance evaluation.

Merits of using predetermined / normal overhead rate:

1. Smooths out seasonal fluctuations.
2. Enables timely product costing (no need to wait for month-end).
3. Assists in budgeting and cost control.
4. Quick preparation of job estimates.

Demerits:

1. May lead to under/over-absorption requiring adjustment.
2. Based on estimates which may be inaccurate.
3. Not reflecting actual cost for certain decision-making.

(b) Toyota Motor Company – Variance Analysis

Given:

Normal annual capacity = 60,000 vehicles

Monthly normal capacity = 60,000 / 12 = 5,000 vehicles

Fixed FOH per month = Rs. 2,500,000

Variable FOH rate = Rs. 2,500 per vehicle

Budgeted variable FOH = 5,000 × 2,500 = Rs. 12,500,000

Total budgeted FOH = 2,500,000 + 12,500,000 = Rs. 15,000,000

Actual output in March = 4,800 vehicles

Actual FOH incurred = Rs. 15,500,000

(i) Under/Over-applied FOH



یونیورسٹی کی تمام معلومات حاصل کرنے کے لیے ہمارا واٹس ایپ گروپ جوائن کریں۔

تمام کلاسز کی حل شدہ مشقیں [MrPakistani](http://MrPakistani.com) ویب سائٹ سے فری ڈاؤن لوڈ کریں۔

Applied FOH = (Absorption rate per unit?) First compute predetermined absorption rate based on normal capacity:

Total budgeted FOH for March = Rs. 15,000,000 for 5,000 units → Rate = Rs. 3,000 per vehicle.

Applied FOH = Actual output × Rate = 4,800 × 3,000 = Rs. 14,400,000

Over/(Under) applied = Actual – Applied = 15,500,000 – 14,400,000 = **Rs. 1,100,000**

(Under-applied)

(ii) Spending Variance

Spending variance = Actual FOH – Budgeted FOH (for actual output)

Budgeted FOH for actual output = Fixed + (Variable rate × actual output)

= 2,500,000 + (2,500 × 4,800) = 2,500,000 + 12,000,000 = Rs. 14,500,000

Spending variance = 15,500,000 – 14,500,000 = **Rs. 1,000,000 (Unfavourable)**

(iii) Idle Capacity Variance

Idle capacity variance = Budgeted FOH for actual output – Applied FOH

= 14,500,000 – 14,400,000 = **Rs. 100,000 (Unfavourable)**

(Because actual output (4,800) was less than normal capacity (5,000) causing under-absorption)

Alternatively, Idle capacity variance = Fixed FOH rate × (Normal capacity – Actual output)

Fixed FOH rate = 2,500,000 / 5,000 = Rs. 500 per unit.

Idle capacity variance = 500 × (5,000 – 4,800) = 500 × 200 = Rs. 100,000 (Unfavourable).

Q.5 Overhead Distribution Statement – Oxford Garments Industries

Apportionment of overhead costs

First list all overhead costs:

Rent 200,000; Supervision 30,000; Repair & maintenance 12,000; Insurance 10,000; Depreciation of



یونیورسٹی کی تمام معلومات حاصل کرنے کے لیے ہمارا واٹس ایپ گروپ جوائن کریں۔

تمام کلاسز کی حل شدہ مشقیں [MrPakistani](http://MrPakistani.com) ویب سائٹ سے فری ڈاؤن لوڈ کریں۔

plant 90,000; Lighting 12,000; Power consumption 18,000.

Total overhead = 200+30+12+10+90+12+18 = Rs. 372,000

Bases for apportionment (common in factory):

- Rent, Lighting, Supervision? Supervision can be on number of workers or area. Choose most equitable:
 - Rent, Lighting → Square foot area
 - Supervision → Number of workers
 - Repair & maintenance, Depreciation → Value of plant
 - Insurance → Value of stock? Or area? Usually insurance on plant → Value of plant. However, insurance on stock → value of stock. But given stock values, we may use value of stock for insurance (if insurance on inventories). We'll assume insurance on plant & stock? To be consistent, we'll use value of plant for insurance of plant, but separate? Let's use:
 - Rent, Lighting → floor area
 - Supervision → number of workers
 - Repair & maintenance, Depreciation → value of plant
 - Insurance → value of stock (since it's likely insurance on stocks)
 - Power consumption → number of workers or machine hours? Not given, use number of workers as proxy.

Let me create a table.

Apportionment basis summary:

Cost item	Basis	Cutting	Stitching	Finishing	Procurement	Total
Square foot area	150	110	90	50	400	
Number of workers	24	16	12	8	60	
Value of plant (Rs.000)	200	600	100	0	900	
Value of stock (Rs.000)	150	90	60	0	300	

Now apportion each cost:



یونیورسٹی کی تمام معلومات حاصل کرنے کے لیے ہمارا واٹس ایپ گروپ جوائن کریں۔

تمام کلاسز کی حل شدہ مشقیں [MrPakistani](http://MrPakistani.com) ویب سائٹ سے فری ڈاؤن لوڈ کریں۔

1. **Rent (200,000)** – on area:
Cutting: $150/400 \times 200,000 = 75,000$
Stitching: $110/400 \times 200,000 = 55,000$
Finishing: $90/400 \times 200,000 = 45,000$
Procurement: $50/400 \times 200,000 = 25,000$
2. **Supervision (30,000)** – on workers:
Cutting: $24/60 \times 30,000 = 12,000$
Stitching: $16/60 \times 30,000 = 8,000$
Finishing: $12/60 \times 30,000 = 6,000$
Procurement: $8/60 \times 30,000 = 4,000$
3. **Repair & maintenance (12,000)** – on value of plant:
Cutting: $200/900 \times 12,000 = 2,667$
Stitching: $600/900 \times 12,000 = 8,000$
Finishing: $100/900 \times 12,000 = 1,333$
Procurement: $0 \rightarrow 0$
4. **Insurance (10,000)** – on value of stock:
Cutting: $150/300 \times 10,000 = 5,000$
Stitching: $90/300 \times 10,000 = 3,000$
Finishing: $60/300 \times 10,000 = 2,000$
Procurement: $0 \rightarrow 0$
5. **Depreciation (90,000)** – on value of plant:
Cutting: $200/900 \times 90,000 = 20,000$
Stitching: $600/900 \times 90,000 = 60,000$
Finishing: $100/900 \times 90,000 = 10,000$
Procurement: 0
6. **Lighting (12,000)** – on area (same as rent):
Cutting: 75,000? Actually same proportion:
Cutting: $150/400 \times 12,000 = 4,500$
Stitching: $110/400 \times 12,000 = 3,300$
Finishing: $90/400 \times 12,000 = 2,700$
Procurement: $50/400 \times 12,000 = 1,500$



تمام کلاسز کی حل شدہ مشقیں [MrPakistani](http://MrPakistani.com) ویب سائٹ سے فری ڈاؤن لوڈ کریں۔

7. **Power consumption (18,000)** – on number of workers:

Cutting: $24/60 \times 18,000 = 7,200$

Stitching: $16/60 \times 18,000 = 4,800$

Finishing: $12/60 \times 18,000 = 3,600$

Procurement: $8/60 \times 18,000 = 2,400$

Now sum column-wise:

Department	Rent	Supervision	R&M	Insurance	Depreciation	Lighting	Power	Total
Cutting	75,000	12,000	2,667	5,000	20,000	4,500	7,200	126,367
Stitching	55,000	8,000	8,000	3,000	60,000	3,300	4,800	142,100
Finishing	45,000	6,000	1,333	2,000	10,000	2,700	3,600	70,633
Procurement	25,000	4,000	0	0	0	1,500	2,400	32,900
Total	200,000	30,000	12,000	10,000	90,000	12,000	18,000	372,000

Overhead Distribution Statement

Particulars	Total (Rs.)	Cutting (Rs.)	Stitching (Rs.)	Finishing (Rs.)	Procurement (Rs.)
Rent	200,000	75,000	55,000	45,000	25,000
Supervision	30,000	12,000	8,000	6,000	4,000
Repair & Maintenance	12,000	2,667	8,000	1,333	0
Insurance	10,000	5,000	3,000	2,000	0
Depreciation	90,000	20,000	60,000	10,000	0
Lighting	12,000	4,500	3,300	2,700	1,500
Power	18,000	7,200	4,800	3,600	2,400
Total Overhead	372,000	126,367	142,100	70,633	32,900

Note: Procurement is a service department; its cost may be re-apportioned to production departments later, but not required here.



[یونیورسٹی کی تمام معلومات حاصل کرنے کے لیے ہمارا واٹس ایپ گروپ جوائن کریں۔](https://www.pakistani.com)

تمام کلاسز کی حل شدہ مشقیں [MrPakistani](http://MrPakistani.com) ویب سائٹ سے فری ڈاؤن لوڈ کریں۔



یونیورسٹی کی تمام معلومات حاصل کرنے کے لیے ہمارا واٹس ایپ گروپ جوائن کریں۔