

**Bachelor's Degree Programme  
(BDP)**

**ASSIGNMENT  
2022-2023**

**Elective Course in Commerce  
ECO – 10: Elements of Costing**

**For July 2022 and January 2023 admission cycle**



**School of Management Studies  
Indira Gandhi National Open University  
Maidan Garhi, New Delhi -110068**

# Elective Course in Commerce

## ECO – 10: Elements of Costing

### ASSIGNMENT- 2022-23

Dear Students,

As explained in the Programme Guide, you have to do one Tutor Marked Assignment in this Course.

Assignment is given 30% weightage in the final assessment. To be eligible to appear in the Term-end examination, it is compulsory for you to submit the assignment as per the schedule. Before attempting the assignments, you should carefully read the instructions given in the Programme Guide.

This assignment is valid for two admission cycles (**July 2022 and January 2023**). The validity is given below:

1. Those who are enrolled in **July 2022**, it is valid up to **June 2023**.
2. Those who are enrolled in **January 2023**, it is valid up to **December 2023**.

You have to submit the assignment of all the courses to The Coordinator of your Study Centre. For appearing in June Term-End Examination, you must submit assignment to the Coordinator of your study centre latest by **15<sup>th</sup> March**. Similarly for appearing in December Term-End Examination, you must submit assignments to the Coordinator of your study centre latest by **15<sup>th</sup> September**.

**TUTOR MARKED ASSIGNMENT**

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<b>COURSE CODE</b>	<b>:</b>	<b>ECO-10</b>
<b>COURSE TITLE</b>	<b>:</b>	<b>ELEMENTS OF COSTING</b>
<b>ASSIGNMENT CODE</b>	<b>:</b>	<b>ECO-10/TMA/2022-23</b>
<b>COVERAGE</b>	<b>:</b>	<b>ALL BLOCKS</b>

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**Maximum Marks: 100**

**Attempt all the questions:**

1. What is cost accounting? What are the major advantages of Cost Accounting to a manufacturing concern? **(10+10)**
2. What do you mean by cost? What are the different methods of costing? Distinguish between direct cost and indirect cost. **(10+10)**
3. The production department of a factory furnishes the following information for the month of October, 2020. **(10+10)**

	Rs.	Hours
Materials used	54000	
Direct wages	45000	
Overheads	36000	
Labour hours worked		36000
Machine hours worked		30000

For an order executed by the department during October, the relevant data is as follows:

	Rs.	Hours
Materials used	6000	
Direct wages	3200	
Labour hours worked		3200
Machine hours worked		2400

Calculate the over heads chargeable to the job by (a) Direct Materials Cost Method, (ii) Direct Labour Cost Method, (iii) Labour Hour Rate, and (iv) Machine Hour Rate.

4. What do you understand by materials control? What are the important requirements of an efficient system of material control? **(10+10)**
5. **Write short notes on the following:** **(4×5)**
- (a) Methods of absorption
  - (b) Rowan premium plan
  - (c) Overheads
  - (d) Control Accounts