

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

**ASSIGNMENT  
2020-2021**

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

**For July 2020 and January 2021 admission cycle**



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



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**Elective Course in Commerce  
ECO – 10: Elements of Costing  
ASSIGNMENT- 2020-21**

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 2020 and January 2021**). The validity is given below:

1. Those who are enrolled in **July 2020**, it is valid up to **June 2021**.
2. Those who are enrolled in **January 2021**, it is valid up to **December 2021**.

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/2020-21</b>
<b>COVERAGE</b>	<b>:</b>	<b>ALL BLOCKS</b>

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**Maximum Marks: 100**

**Attempt all the questions:**

1. Describe the factors to be considered before installing a system of costing in an organization. Also explain the requisites of an effective system of costing. **(10+10)**
  
2. Define 'material control'. What are its objectives? Describe its advantages and basic requirements. **(2+3+5+10)**
  
3. What are the main methods of pricing? Explain the First in First out method. **(5+5+10)**

In a factory, the following purchase and issues were made during the month of Account January, 1988.

<b>Date</b>	<b>Purchases</b>		<b>Issues</b>
	<b>Units</b>	<b>Rate (Rs)</b>	
Jan. 1	500	5.00	-
Jan. 8	300	5.10	-
Jan. 13	-	-	600
Jan. 18	400	5.20	-
Jan. 23	-	-	300
Jan. 25	500	5.10	-
Jan. 31	-	-	200

Prepare the stores Ledger Account under FIFO method.

4. What are the distinct features of direct and indirect labour? Explain the principle of time keeping and its purpose. **(10+5+5)**
  
5. Write short notes on the following: **(4X5)**
  - a) Methods of absorption
  - b) Contract costing
  - c) Process costing
  - d) Classification of costs