

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

**ASSIGNMENT
2021-2022**

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

For July 2021 and January 2022 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- 2021-22

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 2021 and January 2022**). The validity is given below:

1. Those who are enrolled in **July 2021**, it is valid up to **June 2022**.
2. Those who are enrolled in **January 2022**, it is valid up to **December 2022**.

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 **15th March**. Similarly for appearing in December Term-End Examination, you must submit assignments to the Coordinator of your study centre latest by **15th September**.

TUTOR MARKED ASSIGNMENT

COURSE CODE : **ECO-10**
COURSE TITLE : **ELEMENTS OF COSTING**
ASSIGNMENT CODE : **ECO-10/TMA/2021-22**
COVERAGE : **ALL BLOCKS**

Maximum Marks: 100

Attempt all the questions:

1. What are the objectives of cost accounting? State its major advantages to a manufacturing concern. (20)
2. Explain the various steps that are usually taken in connection with the purchase of materials in a manufacturing concern. (20)
3. A product passes through three processes A, B and C. 10,000 units were issued to process A in the beginning of November 2020 at the cost of 1 per unit. The other particulars are given below: (20)

<u>Particulars</u>	<u>Processes</u>		
	<u>A</u>	<u>B</u>	<u>C</u>
Sundry Materials	1,000	1,500	500
Labour	5,000	8,000	6,500
Direct Expenses	1,050	1,188	2,009
Actual output	9,500 units	9,100 units	8,100 units
Normal Wastage	3%	5%	8%
Wastage Sold (per unit)	0.25	0.50	1

Prepare the Process Accounts (A, B and C), assuming that there were no opening or closing stocks.

4. What are the factors taken into account for installation of a system of costing? State the possible difficulties faced in installing such a system. (20)
5. Write short notes on the following: (4X5)
 - (a) Cost Centre
 - (b) Bin card
 - (c) Inventory turnover Ratio
 - (d) Centralized Purchasing