

MATERIAL COSTING:

E.O.Q:

- From the following information calculate the Economic Order Quantity
Annual Consumption 10,000 units
Unit cost Rs 8
Interest expenses per unit Rs 0.20
Insurance expenses per unit Rs0.60
Storage expenses per unit Rs 0.20
Cost of placing an order Rs 25
- From the following particulars calculate the Economic Order Quantity and state how many Times during the year order should be placed?
Bi-monthly Consumption 600 units
cost of placing an order Rs 1000
carrying cost 5%
selling price per unit Rs 400 [V.N.S.G.U Nov. 2014]
- E.O.Q units 1500, Price per unit Rs 10, Order cost per order Rs 30, carrying cost per unit Re. 1. Find out:
(1) Usage per annum (2) No. of orders per year
(3) Time lag between two orders [V.N.S.G.U Nov. 2012]
- From the following information, calculate:
(a) Re order level (b) Minimum level (c) Maximum level
(d) Danger level (e) Average level

Maximum delivery Time 45 days
Average delivery Time 35 days
Minimum delivery Time 25 days
Maximum delivery Time in emergency 5 days
Maximum daily Consumption 30 units
Average daily Consumption 25 units
Minimum daily Consumption 20 units
Ordering quantity 600 units

5. Re – order Time: 3 to 5 days
 Daily Consumption: 200 to 800 units
 E.O.Q. 90% of re-order level
 Compute:
 (a) Re order level (b) Minimum level (c) Maximum level
 (d) Average level (e) safety level [V.N.S.G.U April. 2011]

6. Compute the levels of Madhav Ltd. from the following data:
 (a) Re order level (b) Minimum level (c) Maximum level
 (d) Average level (e) Safety level (f) Danger level
 Maximum reorder Time for quick purchase is 2 weeks. Ordering quantity – 600 units

Particulars	Maximum	Average	Minimum
Delivery Time (in weeks)	6	5	?
Consumption (week-unit)	120	?	80

[V.N.S.G.U Nov. 2012]

7. Dhruv Co. manufactures a product. The following particulars were collected for the year 2019-20:
- | | |
|--------------------------------|---------------------|
| Annually demand of the product | 9000 units |
| Cost of placing an order | Rs 200 |
| Annual carrying cost per unit | Rs 10 |
| Average Usage | 750 units per month |
| Minimum Usage | 450 units per month |
| Re-Order Time | 1 to 5 months |

Compute from the above:

- (1) Economic Order Quantity (2) Number of orders to be placed in a year
 (3) Re-order level (4) Minimum level
 (5) Maximum level (6) safety level
 (7) Average level (On the basis of EOQ) [V.N.S.G.U Nov. 2016]
8. Dipa Ltd. uses different types of material A,B and C, in respect of which the following information is available:
 Calculate: (1) Re order level of A,B and C

- (2) Minimum level of A,B and C
 (3) Maximum level of B

Particulars	A	B	C
Delivery Time (Weeks)	3 – 4	4 – 6	7 – 8
Average weekly Consumption (units)	?	40	70
Maximum weekly Consumption (units)	55	46	?
Minimum weekly Consumption (units)	45	?	40
Ordering quantity (units)	-	50	-

[V.N.S.G.U Nov. 2014]

Stock / Material turnover

9. From the following information for the year 2019 calculate Inventory Turnover Ratio and Turnover Period:

Particulars	Materials A (Rs)	Materials B (Rs)
Opening stock	40,000	80,000
Purchases	1,30,000	2,00,000
Closing stock	20,000	40,000

[V.N.S.G.U Nov. 2014]

10. From the following information find out the material turnover rate:
 Opening stock: Rs 1,20,000
 Closing stock: Rs 84,000
 Purchase of materials: Rs 3,95,000
 Generally stock are valued at cost price plus 20% [V.N.S.G.U April. 2011]

11. From the following information calculate Inventory Turnover Ratio and Turnover Time:
 Opening stock Rs 10,000
 Annual purchases Rs 85,000
 Adjusted purchases Rs 75,000 [V.N.S.G.U Nov. 2015]

12. From the following information of March 2020 of Saloni Co. Ltd., find out the purchases of March 2020.
 Inventory Turnover ratio 3 Times average stock Rs 15,000
 Closing stock was double the amount of opening stock.
 [V.N.S.G.U April. 2010]

Stock register:

13. Surat Tin Ltd. had a stock of 10,000 tins at Rs 2 per kg in the beginning of October 2019. Other purchases made during the month were as under:
 October 3: 2000 kgs. @ Rs 2.5 per kg
 October 10: 5000 kgs. @ Rs 3 per kg
 October 20: 10,000 kgs. @ Rs 3.5 per kg
 Issues for production were as under:
 October 12: 16,000 kgs October 28: 10,000 kgs.
 Find out the value of closing stock if the issues are priced on (i) FIFO Method (ii) LIFO Method and (iii) Weighted average method

14. The transactions of Material A in Shyam Ltd:

June 2020	Transactions	Units	Total Amt (Rs)
1	Purchase	250	750
8	Purchase	250	1000
13	Issued	200	FIFO
15	Purchase	500	2500
21	Issued	300	LIFO
23	Purchase	300	1500
30	Issued	400	Weighted Average

Prepare Store Ledger for the month of June. [V.N.S.G.U Nov. 2012]

15. The following are the transactions of Jaya Ltd. for receipts and issues of an item of material:

April 2020	Particulars	Units	Price per unit
1	Purchases	180	4.00
5	Purchases	360	6.00
12	Issued	300	-
14	Purchases	420	6.00
20	Issued	480	-
25	Purchases	180	8.00
29	Issued	60	-

The issue on 12/4/2020 and 20/4/2020 are priced on LIFO and FIFO basis respectively. It was decided to price the issues from 25/4/2020 on Weighted average Method. Prepare Stock Register for material.