VCD 6-3-14 -SYBBI-SEM IV-COST ACCOUNTING-60-2 HRS-150

Note : All questions are compulsory, subject to internal choice.

Q1. What do you mean by cost? Describe the classification of costs. (15)

OR

Q1. Classify the following:

(i). On the basis of functions: (5)

(a) Audit Fees,

(b) Depreciation of Plant Machinery.

(c) Show Room Rent.

(d) Printing and Stationery.

(e) Depreciation on office furniture.

(ii) On the basis of traceability to product: (5)

(a) Factory Staff Salary.

(b) TelephOne Charges.

(C) Carriage Outwards.

(d) Direct Wages.

(e) cutoms duty on purchases

(iii) On the basis of behaviour to change in activity: (5)

(a) Insurance:

(b) Raw Materials Purchased.

(C) Rent of Office Building.

(d) Supervisor's Salary.

(e) Factory Insurance.

Q2. A) The standard material cost to produce a tonne of chemical X is :

300 kg. of material A @ Rs.10 per kg.

400 kg. of material B @ Rs.5 per kg.

(PTO)

500 kg. of material C @ Rs.6 per kg.
During a period 1tonnes of mixture X were produced from the usage of :
350tones ofmaterial A at a cost of Rs.9 per tone
420tonnesof material B at a cost Rs.6 per tonne
530tonnes of material C at a cost of Rs.7 per tonne
Calculate all material variance.

B) A fire which occurred on 20th July 2013 in the premises of Simran Enterprises Ltd destroyed all stock except Rs. 2,00,000. (7)

Following information is available from 1st April 2013 upto 20th July 2013

Particulars	Rs.
Stock on 1-4-2013	29,00,000
Purchases	86,30,000
Sales (including goods sent on approval)	1,24,00,000
Carriage inward	2,00,000
Carriage outward	4,00,000
Return Inwards	4,00,000
Return Outwards	30,000
Furniture included in Purchases	2,00,000

Goods of sales value Rs. 1,00,000 were sent on approval for which there was no information from customer till date of fire.

Fire insurance policy amount was Rs. 12,00,000.

Compute the amount of claim. Selling price is fixed having 20% margin on sales value.

OR

Q2. A manufacturing Co. is operating at 75 % capacity of normal capacity. It is proposed to offer a price reduction of 5 % to 10 % depending upon the sales volume desired. Given below are the relevant data : (15)

Capacity	75 %	85 %	100 %
Output (Units)	75,000	85,000	1,00,000
Selling price per unit	Rs.96	5 % Off	10 % Off
Material cost per unit	Rs.40	10 % Less	15 % Less
Wages cost per unit	Rs.10	Rs.10	Rs.10

(1010)

Fixed Overheads:	
Production	Rs. 14,00,000
Selling & Administation	Rs. 5,00,000
Variable Overheads:	
Production	Rs.14,00,000 @ normal capacity
Selling & Administation	Rs.4,450,000@ normal capacity

Prepare flexible budget & indicate which of the 3 level is most profitable.

Q 3. Product X is obtained after it passes through three distinct processes. You are required to prepare Process accounts from the following information. (15)

	Process			
	Total	I	II	III
	Rs.	Rs.	Rs.	Rs.
Material	15,084	5,200	3,960	5,024
Direct Wages	18,000	4,000	6,000	8,000
Production overheads	18,000			

1,000 units @ Rs.6/- per unit were introduced in process 1.
Production overhead to be distributed as 100% on direct wages.

Process	Actual Unit (Units)	Normal Loss	Value of Scrap per unit Rs.
Process I	950	5%	4
Process II	840	10%	8
Process III	750	15%	10

OR

Q 3. A Contractor who secured a contract for a total contract value of Rs.30,00,000/- submits the following information for the year ending 31st December, 1989. (15)

Work on the contract started on 1.1.89

	Rs.
Plant and Machinery sent to contract	2,80,000
Materials, Stores and Spares	8,00,000
Wages	6,00,000
Sundry Expenses	1,20,000
Establishment Expenses	1,60,000

A part of the machinery costing Rs.80,000/- was found unsuitable for the contract and was sold for Rs.1.00,000/-. The value of the remaining plant and machinery on 31st December,

(PTO)

1989 was Rs.1,60,000/- and the value of materials, stores and spares was Rs.1,20,000/- on 31st December, 1989.

By 31st December, 1989 the contractor received Rs.17,55,000/- which represented 90% of the certified value of work on 31st December, 1989.

The contractor wanted to calculate the profit to be taken credit for upto 31st December, 1989.

Q 4. Write short notes on : (Any three) (15)

1. Reconciliation Statement.
2. Operating costing
3. Direct cost
4. Joint product Vs. By product
5. Budgetary control

—XXXX—