(25) COPY

(08)

VC – B – 17-03-2015 – Cost Accounting – SYBBI – SEM IV – 2 ½ Hours – 75 Marks - 140

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

Q.1.A] Following details are furnished by Zee Ltd. of Expenses incurred during the year ended 31 Mar 2011.

Particulars	Rs.
Salesman Salary	8,09,375
Opening stock of finished Goods	9,50,000
Director's Fees	12,17,125
Indirect Wages	12,20,375
Repairs to office Furniture	5,02,125
Works manager's salary	14,93,375
Showroom Expenses	13,35,938
Depreciation on Computer	15,16,125
Indirect Materials	9,14,875
Depreciation on plant & machinery	5,96,375
Advertisements	1917187
Office salary	9,89,625
Direct Wages	12,51,250
Direct Materials	23,53,000
Direct Expenses	6,20,750
Closing stock of finished gods	850000

Other Information:-

- Profit on cost is 20%

  Prepare cost sheet showing various elements of both cost in total and per unit and also find out the total profit for the year ended 31st March ,2011.

  (08)

OR

Q.1.A] Following details are furnished by ABP Ltd, of expenses incurred during the year ended 31st March, 2010.

Particulars	Rs.
Direct Materials	595000
Opening stock of finished Goods(1000 units)	149188
Closing stock of finished goods(2000 units)	?
Depreciation on plant & machinery	168000
Loss on sale of machinery	30625
Trade fair expenses	149625
Direct Expenses	280000
General managers salary	665000
Dividend paid	13650
Direct wages	455000
Advertisements	324187
Depreciation on Computer	301000

Drawing and designing Expenses	94500
Purchase of machinery	332500
Depreciation on Delivery van	199500
Office Maintenance charges	329000
Factory Rent	262500
Sales(19000 units)	3990000

- Closing stock of finished goods to be valued at cost of production.

You are required to prepare cost sheet showing various elements of cost both in total and per unit and also find out total profit and per unit profit. (08)

Q.1.B] Product 'M' passes through three processes to completion. Following are the relevant details:-

a. Elements of cost:-

Particulars	Total	Process		
		1	2	3
Direct materials	8482	2000	3020	3462
Direct Labour	12000	3000	4000	5000
Direct Expenses	726	500	226	-
Production Overhead	6000	-	-	-

b. 1000 units at Rs. 5 each were issued to process No.1

c. Output of each process was-

Process No.1-900 units
Process No.2-810 units
Process No.3-729 units

d. Normal loss in all processes was estimated as 10%

e. The loss in each process represented scrap which could be sold at:-

Process No.1-Rs.3 per unit
Process No.2- Rs.5 per unit
Process No.3- Rs.6 per unit

f. There was no stock of material or work-in-progress in any department at the beginning or end of the period. The output of each process direct to the next process. (07)

OR

Q.1.B] The product of a company passes through two distinct processes to completion. These process are known

As 'A' and 'B'.

From the past experience it is ascertained that loss incurred in each process is as under:-

Process A-2% Process B-5%

Scrap value of loss of each process was Rs. 5 per unit for A and B.

The output of each process passes immediately to the next process

Following information is available:-

Following information is available:-

Particulars	Process A	Process B
	Rs.	Rs.
Materials consumed	6000	4000
Direct Labour	8000	6000
Manufacturing Expenses	1000	1000

2000 units have been issued to process A at cist of Rs. 10000 and output of each process was as under:-

No work in progress was there in any process.

Prepare process Accounts. (07)

Q.2.A] JB Ltd. undertook a contract for Rs. 250000.

Following expenses were incurred during the year:-

Particulars	Rs.
Materials issued from stores	25000
Materials purchased for contract	22500
Plant installed at cost	17500
Wages paid	50000
Wages accrued due on 31-12-14	20000
Direct Expenses paid	5000
Direct Expenses accrued due on 31-12-14	1250
Establishment Expenses	3250

The work certified was Rs. 1, 20,000 and 80% of the same was received in cash. The cost of work done but uncertified was Rs.500 charge 10% p.a. depreciation on plant and prepares contract account for the year ended 31 December 2014. (08)

OR

Q.2.A] P & G PVT Ltd. engaged on two contacts 'A' and 'B'. Following particulars are obtained of the year.

Particulars	Contract A	Contract B
	Rs.	Rs.
Contract Price	2700000	2250000
Material purchased	720000	270000

Wages paid	630000	157500
Materials returned	18000	9000
Direct expenses	270000	135000
Establishment charges	121500	36000
Plant installed	360000	315000
Accrued wages up to 31-12-12	72000	54000
Material on site on 31-12-12	99000	36000
Work certified	1890000	607500
Cash received	1701000	562500
Plant valued on 31-12-12	292500	288000
Uncertified work	103500	45000

On 25 September 2012 materials costing Rs. 40500 have been transferred to contract "B" from contract 'A'.

You are required to show:-

- Contract account. (08)

Q.2.B] Pacific Traders have taken a fire insurance policy of Rs. 80000 covering its stock in trade A. Fire occurs on 31st March 2013 and stock was destroyed with the exception of Rs. 20680. Following particulars are available from the books of accounts.

Stock on 1st Jan, 2013 was Rs 30000
Purchase to date of fire Rs 130000
Sales to date of fire Rs. 90000
Commission to the purchase manager on purchases 2%
Carriage paid on purchases Rs 800
Average Gross Profits on cost 50%
Calculate the claim. (07)

OR

Q.2.B] A fire occurred in the business premises of M/S SR and Co. on 15th October 20111. From the following particulars ascertain the loss of stock and prepare claim for insurance.

	Rs.
Stock on 01-01-2010	34,000
Purchase from 01-01-2010 to 31-12-2010	1, 22,000
Sales from 01-01-2010 to 31-12-2010	1, 80,000
Stock on 31-12-2010	30,000

Purchase from 01-01-2011 to 14-10-2011	1, 47,000
Sales from 01-01-2011 to 14-10-2011	1, 50,000

The stock salvaged was worth Rs. 18000. The amount of policy was Rs. 63000. There was an average clause in the policy. (07)

Q.3.A] the following information at 50% capacity is given. Prepare a flexible budget and forecast the profit or loss at 60%, 70% capacity.

Particulars	**Expenses at 50%**
Fixed Expenses	
Salaries	75000
Rent and Taxes	60000
Depreciation	90000
Administrative Expenses	105000
Variable expenses	
Materials	300000
Labour	375000
Others	60000
Semi-variable expenses	
Repairs	150000
Indirect labour	225000
Others	135000

It is estimated that fixed expenses will remain constant at all capabilities. Semi-variable expenses will not change between 45% and 60% capacity; will rise by 10% between 60% and 75% capacity.

Estimated sales:- (08)

(Capacity)	Rs
60%	1650000
70%	1950000

OR

Q.3.A] MR Ltd, has furnished the following estimation pertaining to product 'A' at 80% of its normal capacity level for the quarter ending March 31, 2015.

Sales	900000
Administrative costs	
Office salaries	135000
General expenses	2% of sales
Depreciation	11250

Rates and Taxes	13125
Selling costs	
Salaries	8% of sales
Travelling expenses	2% of sales
Sales office expenses	1% of sales
General expenses	1% 0f sales
Distribution costs	
Wages	22500
Rent	1% of sales
Other expenses	4% of sales

Prepare the budget for the total Administrative, selling and distribution expenses at 70% and 90% capacity level. (08)

Q.3.B] Define Budgeting and explain the steps involved in budgetary control. (07)

OR

Q.3.B] Explain different types of budget. (07)

Q.4.A] A manufacturing concern, which has adopted standard costing, furnishes the following information:-

Standard-
Material for 35 kg. Finished product 50 kg
Price of Materials- Rs.1 per kg.

Actual-

Output	-105000
Material used	-140000
Cost of Material	-126000

Calculate-

a. Material usage variance,
b. Material price variance,
c. Material cost variance.

OR

Q.4.A] Standard mix for production of 'X'

Material A: 60 tonnes @ Rs 5 per ton
Material B: 40 tonnes @ Rs 10 per ton

Actual Mixture being:-

Material A: 80 tonnes @ Rs 4 per ton
Material B: 70 tonnes @ Rs 8 per ton

Calculate:-

a. Material Cost Variance
b. Material Price Variance
c. Material Usage Variance (08)

Q.4.B] A product is sold at Rs.80 per unit. Its variable cost is Rs. 6,00,000. Compute the following:-

1. P/V Ratio
2. Break Even Point
3. Margin of safety at a sale of 50,000 units
4. At what sale the producer will earn profit at 15% on sales. (07)

OR

Q.4.B] The following is the cost structure of a product. Selling price Rs. 100 per unit.

Variable cost per unit	Rs
Material	38
Labour	14
Direct Expenses	08
Fixed overheads for the year	Rs
Factory overheads	2, 80,000
Office overheads	2, 20,000
No. of units produced and sold	40,000

Calculate:-

1. P/V Ratio
2. Break Even Points in units
3. Margin of safety Amount
4. Break Even Point if fixed overheads increased by 20%. (07)

Q.5] Write short notes. (Any 3) (15)

1. Marginal costing
2. Budgetary control
3. Types of cost classification
4. Profit computation in contract costing
5. Average clause