

Q.1.A.) Fill in the blanks with appropriate answer: (Any 8.)**(8 M)**

1.) Factory cost is also known as also _____ cost.

- a) Direct
- b) Indirect.
- c) Work
- d) Prime.

2.) The aggregate of all direct costs is termed as _____ cost.

- a) Work.
- b) Prime
- c) Total.
- d) Production

3.) _____ expenses are ignored while making Cost Sheet.

- a) Selling.
- b) Financing.
- c) Factory.
- d) Office.

4) In cost accounting CPU stands for _____.

- a) Cost per unit.
- b) Cost profit unit
- c) Central processing unit.
- d) Control per unit

5) _____ expenses are not recorded in cost account.

- a) Office
- b) Financial.
- c) Direct
- d) Establishment.

6) Dividend paid is which type of cost _____

- a) Administration expense
- b) Direct cost.
- c) Selling expense
- d) Not included in cost sheet

7) In contract costing, payment of cash to the contractor is made on the basis of _____.

- a) Retention money
- b) Certified work
- c) Work in progress
- d) Uncertified work

8.) Construction companies follow _____ costing.

- a) Process.
- b) Contract.
- c) Process By-product.
- d) None of the above

9) Joint products are of _____ importance.

- a) Equal.
- b) Unequal.
- c) Less.
- d) More.

10) Cotton used in a textile mill is an example of _____.

- a) Indirect Cost.
- b) Direct Cost
- c) Total Cost.
- d) Overheads

Q.1.B) State whether the following statements are True or False: (Any 7)

(7 M)

- 1) Variable cost remains fixed per unit of output
- 2) Contract costing is a type of job costing..
- 3) Carriage Inward should be added to purchase.
- 4) Notional rent is debited to Profit and Loss Account.
- 5) Abnormal gain is debited to process account.
- 6) Cost Sheet and Profit and Loss Account are same.
- 7) Administration costs are mostly variable cost.
- 8) Prime cost= Direct material + Direct labor + Indirect Expenses.
- 9) Contractee is a person who takes the contract.
- 10) Normal losses are avoidable losses.

Q.2.A) The Accounts of. Raj Limited for the year ended 31st December, 2014 shows the following: (15)

Particulars	Amount in Rs.
Work Office Salaries	1,30,000
Administrative office salaries	2,52,000
Cash Discount allowed	58,000
Carriage Outward	86,000
Carriage Inward	143,000
Bad debts written off.	130,000
Repairs to Plant and Machinery	89,000
<u>Rent, rates, taxes, Insurance etc.:</u>	
Factory	170,000

Office	40,000
Sales	92,20,000
<u>Stock of Raw Materials:</u>	
1 st January, 2014	9,60,000
31 st December, 2014	12,56,000
Materials purchased	37,00,000
Traveling Expenses	42,000
Travelers Salaries and Commission	154,000
Productive Wages	25,20,000
Depreciation on Plant and Machinery	130,000
Depreciation on Office Furniture	6,000
Director's Fees	120,000
Gas and Water (Factory)	24,000
Gas and Water (Office)	8,000
Manager's Salary ($\frac{1}{4}$ office and $\frac{3}{4}$ Factory)	2,00,000
General Expenses	68,000

You are required to prepare a cost statement for the year ended 31st December 2014.

OR

Q.2.B.) From the following information you are required to prepare a Statement reconciling the results of Cost Book with Finance Books: (15)

Particulars	Amount in Rs.
Net Profits as per Finance Books	10,21,040
Works overhead under recovery in cost	20,020
Depreciation charged in Financial Book	2,60,000
Depreciation charged in Cost Book	2,86,520
Obsolescence loss charged in Financial Book only	40,420
Income tax provided in financial books only	52,520

Interest received but not recorded in Cost Book	60,620
Bank interest debited in Financial Books only	7,840

Q 3.A) On 1st October 2021 Mr. Kaushik undertook a contract no 345 for Rs.250000. The following information is available in respect of this contract for the accounting year ended 31-12-2020: (15)

Particulars	Amount (Rs.)
Work certified	50000
Wages paid	25000
Materials supplied	40000
Other expenses	10000
Plant supplied on 1-10-2020	30000
Uncertified work	15000
Materials unused lying at site	1000
Wages due but not paid	500

Provide 10% depreciation on the plant. Cash received is 90% of Work Certified. Prepare Contract account & Contractee account in the book of Mr. Kaushik.

OR

Q.3.B) A Firm tendered for a contract for rupees 10,00,000 and started work on the contract on 1st January 2022. (15)

The following information is available for the year ending 31st December, 2022:

Particulars	Amount (Rs.)
Materials purchased for contract	5,00,000
Stores and spoiled consumed	50,000
Wages	1,65,000
Plant and Machinery	1,10,000
Overhead Expenses	50,000
Stock of Materials on 31st December, 2022	30,000

The machinery was purchased on 1st July, 2022. It has a working life of five years and its scrap value has been estimated at Rs. 10,000. Work Certified at the end of the year was Rs. 10,00,000 and work uncertified was Rs. 50,000. Cash paid was 80% of Work Certified. Prepare Contract Account.

Q4.A) 'X' product passes through three processes. The output of each process is treated as the raw material of the next process to which it is transferred and output of the third process is transferred to finish stock. 2500 unit have been issued to the process-I and other details are as under: (15)

Particulars	Process-I (Rs.)	Process-II (Rs.)	Process-III (Rs.)
Materials issued	10,000	5,000	2,500
Labour	1,500	1,000	250
Manufacturing overhead	2,500	2,500	3,750
Output(units)	2,440	2,350	2,000
Normal loss	2%	5%	10%

No stock of material or of work-in-process was left at the end Prepare Process-I, Process-II, Process-III Accounts.

OR

Q.4.B) A product of a company passes through 3 processes viz. Process X, Y and Z to obtain three consecutive grades of the product. Details relating to its production for the year 2020 are as follows: (15)

Particulars	Process X	Process Y	Process Z
Raw Materials used (in Tonnes)	6,000	-	-
Cost per tonne	1,200	-	-
Manufacturing wages & expenses	4,50,000	2,46,000	66,000
Weight loss	5%	10%	20%
Scrap sold at Rs.50 per tonne	120 Ton	90 Ton	153 Ton
Sale price per tonne	2,400	3,000	4,800

Management expenses were Rs.90,000, Selling expenses were Rs.60,000 and interest on borrowed capital was Rs.30,000. 2/3rd output of Process X and ½ output of Process Y are passed on to the next process and the balance was sold. You are required to prepare Process X, Y and Z account and Costing Profit and Loss account for the year.

Q.5.A.) Explain Classification of Costs in brief. (8)

Q.5.B.) Distinguish between Joint Products and By-products (7)

OR

Q.5.C) Write Short Notes on: (Any 3) (15)

- 1) Process Costing
- 2) Direct Cost
- 3) Normal loss
- 4) Job Costing
- 5) Contract Price