[Time: 2.30 Hours] **[Marks: 75]**

N.B: 1. **All** questions are **compulsory.**

2. **Figures** to the right indicate full marks allotted to the questions.

3. Working notes are forming part of your answer.

1. (a) Fill in the blanks. **(any eight)** **08**

(1) Factory cost = Prime cost + -----------.

(2) Sale of scrap of material is deducted from cost of --------. -

(3) Donation paid is reduces ------ profit.

(4) Under valuation of closing stock in costing decreases -------- profit.

(5) Abnormal gain is valued at ----------.

(6) -------- loss is treated as cost of production.

(7) There is ---------- variance whenever the actual rupees spent are greater than the standard cost.

(8) The contribution to sales ratio of a company is 20% and profit is ₹48,600. If the total sales of the company are ₹ 7,80,000 the fixed cost is----------

(9) ------- loss is avoidable.

(10) When selling price decrease then break - even point ----------.

4. (b) State whether following sentences are true or false. **(any seven)** **07**

1. Process costing is a technique of costing.
2. Normal loss account is debited to process account.
3. Transfer to general reserve is an item of cost accounts.
4. Notional cost decreases profit.
5. Prime cost is indirect cost.
6. Carriage inward should be added to purchases.
7. The variable cost is 1- P.V. ratio.
8. Sales above break- even point means profit.
9. The main purpose of standard costing is cost control.
10. Favourable cost variance is an indicator of higher efficiency.

[TURN OVER

2. From the books of accounts of M/s. Sharma & Co, the following details have been extracted for the year ended December 31st, 2017 **15**

Particular	Amount
Stock of Material-opening	2,70,000
Stock of material - closing	3,00,000
Purchases of materials	12,48,000
Direct Wages	3,57,600
Direct Expenses	1,20,000
Indirect Wages	24,000
Salaries to Administrative Staff	60,000
Carriage Inwards	48,000
Carriage Outward	37,500
Manager's Salary	72,000
General Expenses	37,200
Legal Charges for criminal suit	20,000
Commission on sales	28,000
Power and fuel	96,000
Electricity charges (Factory)	72,000
Directors fees	36,000
Repairs to plant and machinery	63,000
Rent, rates and taxes - Factory	18,000
Rent, rates and taxes - office	9,600
Depreciation on plant and machinery	45,000
Depreciation on furniture	3,600
Salesmen's salaries	50,000
Audit fees	18,000

 [TURN OVER

1. The Manager's time is shared between the factory and the office in the ratio of 20:80.
2. Carriage outward includes Rs. 7,500 being carriage inward on plant and machinery.
3. Selling price is 120% of the cost price.

From the details prepare cost sheet for the year ended 31-12-2017 and ascertain sales.

OR

2. Following details are furnished by NY Ltd of Expenses incurred during the year ended 31st 2017. **15**

Particulars	As per cost Records (₹)	As per financial Records (₹)
Salesman salary	6,47,500	6,47,500 -
Opening stock of financial goods {2,000 units }	7,60,000	7,60,000
Directors fees	9,73,700	9,73,700
Indirect wages	9,76,300	9,76,300
Repairs to office furniture	4,01,700	4,01,700
Works managers salary	11,94,700	11,94,700
Showroom expenses	10,68,750	10,68,750
Depreciation on computer	12,12,900	12,12,900
Indirect materials	7,31,900	7,31,900
Depreciation on plant and machinery	4,77,100	4,77,100
Advertisements	15,33,750	15,33,000
Office salary	7,91,700	8,00,000
Direct wages	10,01,000	10,01,000
Direct materials	18,82,400	18,82,400
Direct expenses	4,96,600	4,96,600
Closing stock of finished goods [3,000 units]	?	11,75,000
Premilinary expenses written off	-	12,500
Reserve for Bad debts	-	9,500
Interest on Investments	-	15,600
Sales [25,000 units]	?	1,62,50,000

[TURN OVER

Other Information:

1. Net profit as per financial account is 32,79,050.
2. Closing stock of finished goods to be valued at cost of production in cost account.
3. Profit desired on sales is 20% in cost account. -

Prepare:

1. Cost sheet showing the various elements of cost both in total and per unit and also find out the profit and per unit profit for the year ended 31 st march, 2018.
2. Financial profit and loss account for the year ended 31 st march, 2018.
3. Statement of Reconciliation of profit and loss.

3. A Product of a manufacturing concern passes through two processes viz. A and B and then to Finished Stock. The following Figures have been taken from its books for the year ended 31[st] March , 2018 **15**

Particulars	**Process A**	**Process B**
Raw Material introduced in Process (Units)	10,000	700
Cost of Raw Materials introduced (per unit) (₹)	125	200
Wage(₹)	2,80,000	1,00,000
Machinery Expense (₹)	20,000	10,000
Direct expenses(₹)	10,000	10,000
Other Factory Expense (₹)	45,000	22,500
Indirect Material (₹)	5,000	10,000
Normal loss in weight (% on total units introduced in each process)	5%	5%
Normal Scrap (% on total units introduced in each scrap)	10%	10%
Realisable value of scrap (per 10 units)	(₹) 800	(₹) 2,000
Output (Units)	8,300	7,800

Prepare Process Accounts, Abnormal Loss and abnormal Gain account.

OR

[TURN OVER

3. Diganta Ltd. Provides you the following information for the. year ended 31^{s} March,2018. **15**

Particulars	Process		
	A	B	C
Raw Materials (Units)	12,000	2,440	2,600
Cost of raw Material per unit (₹)	5	5	5
Direct Wages (₹)	34,000	24,000	15,000
Production Overheads (₹)	16,160	16,200	9,600
Normal Loss (% of total no. of units entering into the Process)	4%	5%	4%
Wastage (% of total no. of units entering into the Process)	6%	5%	4%
Scrap per Unit of wastages (₹)	3	4	5
Output transferred to 70% subsequent Process	70%	60%	-
Output sold at the End of the Process	30%	40%	100%
Selling Price per unit (₹)	12	16	17

Prepare Process A, B and C Account

4. (a) **08**

PARTICULARS	STANDARD		ACTUAL	
Output(units)	100		1200	
	Quantity	Rate (₹)	Quantity	Rate (₹)
Material	80 k.g.	12	1050 k.g.	11.80
Labour	70hrs	150	880 hrs	160

Calculate :-

(1) Material cost variance (2) Labour cost variance

(3) Material usage variance (4) Labour efficiency variance

4. (b) Sales ₹ 1,50,000 **07**

Variable cost ₹ 90,000

Fixed cost ₹ 40,000

Unit sold - 30,000

Calculate:

1. Contribution per unit
2. Break-even point
3. Sales, when expected profit is ₹ 80,000
4. Profit when sales was ₹ 4,00,000

4. (p) **08**

PARTICULARS	STANDARD		ACTUAL	
Output(units)	1000		2200	
	Quantity	Rate (₹)	Quantity	Rate (₹)
Material	90 k.g.	25	3050 k.g.	28.50
Labour	120 hrs	550	480 hrs	660

Calculate :-

(1) Material cost variance

(2) Labour cost variance

(3) Labour rate variance

(4) Material usage variance

[TURN OVER

4. (q) **07**

Year	Sales	Profit
2017	75,00,000	1,25,000
2018	82,00,000	1,95,000

Calculate:

(1) Break Even Point

(2) Sales when profit was R.s. 3,25,000.

(3) Profit when sales is R.s.90,00,000

(4) Margin of safety

5. (a) What are the advantages and disadvantages of process costing ? **08**

(b) Enumerate the purpose of standard costing? **07**

OR

5. Write short notes **(any three)** **15**

1. Assumptions of marginal costing.
2. Break even analysis.
3. Normal loss.
4. Causes of difference between financial and costing profit.
5. Features of cost sheet.
