

Q.1. A) State whether the following statements are True or False (Any 8) (08 marks)

- i) Depreciation is a non-cash cost.
- ii) The main purpose of standard costing is cost control.
- iii) Cost sheet and profit & loss account are same.
- iv) Fixed cost per unit remains constant.
- v) Process cost system is applicable to paper mills.
- vi) When the selling price is at cost, then contribution = fixed cost
- vii) Debit and credit are basic concepts used in cost accounts.
- viii) Salesman salary is an example of administration overhead.
- ix) Standard costing is a technique of costing.
- x) Marginal costing helps in decision making.

Q.1.B) Fill int the blanks: (Any 7)**(07 marks)**

- i) Haulage on machinery is an example of _____ overheads. (Administration, Selling & distribution, Factory)
- ii) Normal output is equal to _____. (Input - normal loss, Input - abnormal loss, Input - abnormal gain)
- iii) Material Price variance is _____. ((AQ x SR) - (AQ x AR), AQ (SR-AR), SQ x AR.)
- iv) Direct material + Direct wages + Direct expenses = _____ cost. (Prime, fixed, variable)
- v) Legal charges are an example of _____ overhead. (Administration, Selling & distribution, Factory)
- vi) Variance analysis is possible in _____. (Standard Costing, Marginal Costing, Cost Sheet Analysis)
- vii) BEP stands for _____. (Break-even point, break execution plan, Break even plant).
- viii) An activity which generates cost is a _____. (Cost driver, Cost pool, Cost unit)
- ix) If the actual cost is more than the standard cost, the variance cost is _____. (Favourable, Adverse, Nil)
- x) Contribution = Sales - _____ cost. (Fixed, variable, factory)

Q.2.A.) From the following data, prepare a cost sheet for the year 2015.**(15 marks)**

Particulars	Amount (₹)
Opening stock of raw material	6,00,000
Purchases	16,00,000
Closing stock of Raw material	8,00,000
Carriage outward	1,00,000
Wages Direct	14,00,000

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Wages Indirect	2,00,000
Chargeable expenses	4,00,000
Factory Rent and Rates	80,000
Office rent & rates	10,000
Indirect materials	30,000
Depreciation on factory building	20,000
Depreciation on plant	10,000
Office furniture	2,000
Salary: office	50,000
Salesman salary	40,000
W.I.P.: 1-1-2015	40,000
W.I.P.: 31-12-2015	20,000
Sale of by product	20,000
Other factory expenses	1,14,000
Other office expenses	18,000
Other selling expenses	20,000
Trade fair exhibition	80,000
Opening stock of finished goods 1-1-2015	20,000
Closing stock of finished goods 31-12-2015	1,00,000
Travelling expenses of salesman	22,000
Carriage inward	20,000
Sales	50,00,000
Advance Income tax paid	3,00,000
Advertisement	40,000
Managing Directors Remuneration:	
• Factory	80,000
• Office	40,000
• Sales	1,20,000

OR

Q.2.B) The following information is extracted from the books of M/s Priya Ltd. For the year ended 31-12-2021. You are required to prepare a cost sheet showing relevant details of cost as well as cost per unit:

(15 marks)

Particulars	Amount (₹)	Particulars	Amount (₹)
Direct materials	12,00,000	Depreciation on factory building	7,500
Direct wages	2,50,000	Branch office expenses	20,000

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Insurance of office building	600	Depreciation on office building	4,000
Insurance of factory building	750	Depreciation on office equipment's	6,000
Delivery van maintenance	5,000	Printing & stationery	750
Salary of factory chief manager	12,500	Electricity:	
Salary of sales manager	12,500	- Office	4,000
Other selling expenses	10,000	- Factory	16,000
Sundry factory expenses	1,70,000	Advertisement	10,000
Sales promotion	2,500	Office administration expenses	25,000
Sales	21,00,000	Exhibition expenses	5,000
Units produced	10,000		

Q.3.A) M/s. ABC and company manufactures a chemical which passes through three processes. The following particulars are gathered. (15 marks)

Particulars	Process I	Process II	Process III
Material (litre)	400	208	168
Materials cost	₹ 38400	₹ 18800	₹ 6000
Wages	₹ 7680	₹ 7600	₹ 2200
Normal loss (%Input)	4%	5%	5%
Scrap sale value		₹ 3 per litre	-
Output transferred to next process	50%	40%	-
Output transferred to Warehouse	50%	60%	100%

Overheads are charged @ 50% of direct wages.
You are required to prepare Process Account.

OR

Q.3.B) From the following information calculate:

(15 marks)

- | | |
|----------------------------------|------------------------------|
| (i) Material usage variance | (ii) Material price variance |
| (iii) Labour efficiency variance | (iv) Labour rate variance |
| (v) Labour cost variance | (vi) Material cost variance |

Standard: For 10 units of product 'Y'

Material - 80 kgs. @ Rs. 25 per kg.

Labour - 200 hours @ Rs. 2.5 per hour

Actual: For 2,000 units of product 'Y'

Material - 15,680 kgs. @ Rs. 28 per kg.

Labour Rs. 1,02,960

Rate of Labour per hour Rs. 2.60

Q.4.A) You are given the following data for the year 2020-2021 of "ABC" Co. (15 marks)

Particulars	Amount (₹)
Variable cost	12,00,000
Fixed cost	6,00,000
Net profit	1,00,000
Sales	20,00,000

Find out:

- Profit volume ratio
- Break-even point
- Profit when sales amounted to ₹24,00,000
- Sales required to earn a profit of ₹4,00,000
- Margin of safety in rupees.

OR

Q.4.B) The following is the Trading, Profit & Loss account of Sunny limited, for the year ended 31st March 2019. (15 marks)

Trading, profit & Loss Account

Particulars	Amount (₹)	Particulars	Amount (₹)
To opening stock of finished goods	1,50,000	By sales	34,00,000
To opening stock of Raw material	1,00,000	By closing stock of finished goods	2,00,000
To purchases	7,50,000	By closing stock of Raw materials	1,50,000
To direct wages	5,00,000		
To factory expenses	4,00,000		
To gross profit c/d.	18,50,000		
	37,50,000		37,50,000
Particulars	Amount	Particulars	Amount
To general expenses	3,50,000	By gross profit b/d	18,50,000
To selling expenses	6,00,000	By dividend received	1,50,000
To interest on debentures	1,50,000		
To loss on sale of plant	25,000		
To provision for tax	2,25,000		
To Net profit	6,50,000		
	20,00,000		20,00,000

Costing records show the following:

- a) Opening stock of finished goods ₹2,00,000
- b) Closing stock of finished goods ₹3,50,000
- c) Direct wages ₹7,00,000
- d) Factory overheads ₹5,00,000
- e) Administrative overheads ₹2,50,000
- f) Selling overheads ₹9,00,000

You are required to prepare a Cost sheet for the year ended 31st March, 2019 and statement of reconciliation between the profit shown by both the sets of books.

Q.5. A) Distinguish between Cost accounting and financial accounting (08 marks)

Q.5. B) Explain the advantages & limitations of standard costing? (07 marks)

OR

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

- i) Break-even point
- ii) Objectives of job costing
- iii) Contribution
- iv) Need for reconciliation
- v) Process of variance analysis.
