VCD 11/3/2020

SYIMG SEM III COST ACCOUNTING 75 MRKS

Q1. A] True or False (any 8) 8 mrks

1. Overheads include all the variable expenses
2. Works cost = Prime cost + Office overheads.
3. Interest is not shown in the cost sheet.
4. Profit as per Financial account is the same as the profit as per the cost accounts.
5. Goodwill written off appears only in Financial accounts.
6. Reconciliation is done as the profits are different under two set of books
7. A.bnormal loss can be avoided.
8. Normal loss is treated as normal cost of production.
9. BEP can be obtained in units only.
10. normal loss is charged to costing profit and loss account.

Q1. B] Match the following columns. (any 7) 7 mrks

A	B
1. Normal Loss	a. Total Cost - Sales
2. Standard costing	b. Method of costing
3. Abnormal gain	c. Input – Normal Loss
4. Total labour cost variance	d. Labour rate plus efficiency variance
5. Dividend paid	e. Actual Output – Normal Output
6. Carriage inward	f. Prime cost
7. Cost of production	g. Financial Item
8. Carriage outward	h. Works cost + Administrative overheads
9. Profit	i. Input x % of normal loss
10. Normal Output	j. Sales / Distribution Overheads

Q 2.A]Suzuki motors Ltd. manufactured and sold 2,000 motors in the year ending 31st March, 2018. The summarised accounts are set out below:

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Trading and Profit and loss A/c

For the year ending 31st March 2018

Particulars	Rs.	Particulars	Rs.
To Cost of Materials	1,80,000	By Sales	5,00,000
To Direct Wages	1,20,000		
To Manufacturing Cost	50,000		
To Gross Profit	150,000		5,00,000
	5,00,000		
To Management and Staff Salaries	60,000	By Gross Profit	1,50,000
To Rent, Rate &	10,000		
Insurance	30,000		
To Selling Expenses	20,000		
To General Expenses	80,000		
To Net Profit	1,50,000		1,50,000

For the year ending 31st March, 2018 it is estimated that:

a) Output and sales will be 4,000 motors.

b) Price of materials will rise by 20% on the previous year level.

c) Wages per unit will rise by 5%.

d) Manufacturing cost will rise in proportion to the combined cost of material and wages.

e) Selling expenses per unit will remain unchanged.

f) Other expenses will remain unaffected by the rise in output.

Prepare cost statement in total as well as per unit, showing price at which the motors should be marked so as to show profit of 10% on selling price.

15 mrks

OR

Q 2 B] from the following particulars prepare:

a. A statement of cost

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b. Profit & loss A/c

c. Statement reconciling the difference in profit & loss as per cost & financial record.

Particulars	Rs.
Opening stock of raw material	144000
Opening stock of finished goods	288000
Purchase of raw materials	864000
Closing stock of raw materials	216000
Closing stock of finished goods	72000
Wages	360000

Calculate factory overhead at 20% on prime cost and office overheads at 80% on factory overheads. Actual Factory overheads amounted to Rs. 254000. Office expenses amounted to Rs. 160000. Selling price was fixed at a profit of 20% on cost.

15 mrks

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Q 3 A] The product of a company passes through three distinct processes for completion. These processes are known as X, Y and Z. from the past experience, it is ascertained that wastage is incurred in each process as under: Process X – 2%, Process Y – 4% and Process Z – 10%.

The wastage of each process possesses scrap value. The wastage of processes X and Y is sold at Rs.2.50 per unit, and that of process Z at Rs.5.00 per unit. The output of each process passes immediately to the next process and finished units are transferred from process Z to stock. The following information is obtained.

Particulars	X Rs.	Y Rs.	Z Rs.
Materials	2,70,000	2,60,000	1,20,000
Wages	4,30,000	2,40,000	1,30,000
Direct Expenses	1,37,500	1,45,000	1,80,000

40,000 units were put in process X at accost of Rs.10 per unit. The output of each process is as follows:

Process X – 38,750 units, Process Y – 37,000 units and Process Z – 32,000 units.

There is no stock of work in progress in any process. Prepare process account, abnormal gain account and abnormal loss account.

OR

Q3] (a) Calculate labour cost variance :

Standard hours : 40 – Rate Rs.3 per hour.

Actual hours : 50 – Rate Rs.4 per hour.

Q no 3 (b) The standard hours and time rate for unit component A are given below :

Standard hours per unit : 15

Standard rate : Rs.4 per hour.

Actual data and related information are as under :

Annual production : 1,000 units

Actual hours : 15,300 hours

Actual rate : Rs.3.90 per hour.

Calculate (a) Labour cost variance, (b) Labour efficiency variance, and (c) Labour rate variance.

Q No4 (a)Calculate the P/V ratio and Break-even point from the following particulars : (8)

	Rs.
Sales	6,00,000
Fixed Cost	1,00,000
Profit	1,50,000

Q no4 (b) From the following information, calculate the break-even point and turn over required to earn of profit of Rs.30,000. (7)

	Rs.
Fixed overheads	21,000
Variable costs	3 per unit
Selling price	6 per unit

If the company is earning a profit of Rs.30,000, express the margin of safety available to it.

OR

Q No 4 XY Ltd., manufacturers of product P, uses a standard cost system. Standard product and cost specification for 1,000 kg. of product P are as follows :

Ingredients	Qty. kg.	Price per kg.
A	800	2.50
B	200	4.00
C	200	1.00

Material records indicate :

Consumption in Jan.

A 1,57,000 kg. at Rs.2.40 per kg.

B 38,000 kg. at Rs.4.20 per kg.

C 36,000 kg. at Rs.1.10 per kg.

Actual finished production for the month of January is 2,00,000 kg.

Calculate, Variances

Q 5. A] Explain standard costing and calculation of variances. (8)

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Q5. B] Explain the various Costs calculated in the Cost sheet. (7)

OR

Q5. Write shorts on: (Any 3) (15)

1. BEP.
2. P/V Ratio.
3. Fixed & variable cost.
4. Process costing.
5. Abnormal gain & Abnormal Loss.

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