VC – D -24/09/2014 – Cost Accounting – SYBAF – Sem III – 75 – 2 ½ Hrs – 250

Note: 1. All Questions are compulsory
2. Figures to right indicate full

Q.1 A] Match the following(Any 8) (8)

Group 'A'	Group 'B'
1) Cost of production	a)Sales less total cost
2) Profit on sales of Asset	b)Debited to contract a/c
3)Sub contract cost	c) Showing in financial a/c
4)Process costing	d)Factory cost plus office overheads
5) Valuation of abnormal loss	e)Big job
6) Profit	f)Non cost item
7) Abnormal gain	g)Standardised production
8)Contract	h)Excess of actual output over normal output
9)Joint Product	i)At cost of output
10)Interest on loan	j)Additional product with significant value

B] State whether the following statement is True/False and rewrite the sentence. (Any 7) (7)

1) Cost Sheet shows total cost and cost per unit.
2) Cost of production includes selling overheads.
3) Donation are debited to financial profit and loss A/C.
4) Under valuation of closing stock in cost A/C reduces costing profit.
5) Profit on each contract is computed every year on incomplete portion of the contract.
6) A contract usually takes more than one year to complete.
7) Normal loss in controllable loss.
8) No Separate A/C is maintained for each process.
9) By product does not does not have equal economic importance.
10) In process costing product is manufactured as per customer order.

Q.2] A company manufactures two types of products viz., A and B. the following information is available the year ended 31/03/2006:

Direct Materials	Rs.675000
Direct Wages	Rs.990000
Works Overheads	Rs.195000

a] Direct materials used per unit in product A were 3 times that of product B

b]Direct wages per unit in product B were 2/3 that of product A.

c]works overheads per unit were the same for both the products.

d]Administration overheads were 100% of the prime cost in each of the products.

e] Selling and Distribution cost per unit was Rs. 6 for both A and B.

f]35000 units of product A were produced . out of which 32000 units weresold @Rs.65 per unit.

G]3000 units of product A were produced. out of which 28000 units were sold @Rs.65 per unit

Prepare cost sheet showing total cost and cost per unit for both the products.

OR

Q.2] A Company's trading and profit and loss A/C is as follows.

Dr. Particulars	Rs.	Particulars	Cr. Rs.
To purchases 37815 (-) closing Stock 6120	31695	By Sales [75000 with @Rs.1.50 each]	112500
To wages (Direct)	15750		
To works Expenses	18195	By product on sale of Machinery	3900
To Selling expenses	10650		
To Administrative expenses	8010		
To Depreciation	1650		
To net profit	30450		
	116400		116400

The Profit as per cost A/C's was Rs.29655.Preapare Reconciliation Statement to reconcile cost profit with financial profit further information as per cost A/C's

a] Closing stock was taken at Rs. 6420

b]The works expenses were taken at 100% of Direct wages.

c]Selling and Administration Expenses were charged at 10% of sales and at Rs. 0.10 per unit respectively.

d] Deprecation was taken at Rs. 1200.

Q.3] A product passes through 2 distinct Process. The product of the first process becomes raw material for the second process. All by-products are sold off directly from the factory.

Particulars	process I	ProcessII
Raw materials	1000 tonnes at Rs.30 tonne	-
Wages	Rs. 25000	Rs.20000
Direct Changes	Rs.4200	Rs.3030
Factory overheads	80% of wages	75% of wages
Sales of By-product	190 tonnes at Rs.20 per ton	85 tonnes at Rs.30 per ton

OR

Q.3]A product passes through three process A.B and C. The normal wastage of each process is as Follows Process A-3%,Process B-5%,Process C-8% wastage of process A was sold at 25 paise per unit, that of B at 50 paise per unit and that of C at Rs. 1 per unit. 10000 units were introduced to process A at Rs. 1.00 per unit. The other expenses were as follows.

Particulars	Process		
Materials	A	B	C
Labour	Rs.1000	Rs.1500	Rs.500
Direct expenses	Rs:5000	Rs.8000	Rs.6500
Direct expenses	Rs.1050	Rs.1188	Rs.2009
Actual output	9500 units	9100 units	8100 unit

Q.4] The MCC undertook the constructions of a building at a contract price of Rs. 12,00,000. The contract commenced on 1st April 2007. The following cost information is given for the year ended 31/3/2008

Particulars	Rs.
Materials Sent to site	3,00,000
Wages	4,40,000
Architect fees	55,500
Office overheads	1,51,000
Uncertified work	55,000
Material at site at the year end	10,000
Cash received from contractee (being 90% of work certified)	9,45,000
Materials destroyed by fine	5,000
Plant at cost (purchased on 1st July 2007, the estimated working life being Ten years having residual value Rs.20000 at the end)	2,00,000
Supervision salary	60,000

Prepare contract A/C for the year ended 31st March 2008.

OR

Q.4]Moss Ltd had undertaken a contract for construction which started on 1st January 2007. For the year ended 31st December 2007 given that:

Particulars	Rs.
Contract Price	37,50,000
Materials Issued on site	945000
Wages paid	800000
Accrued wages on 31/12/2007	75000
Sub Contract changes	145000
Supervision changes	150000
Architect fees	125000
Insurance charges for the contract	40000
Work certified	25,00,000
Work uncertified	5% of work certified
Cash received from contract	1875000
Closing stock of Materials(31/12/2007)	100000

Plant installed on the contract on 1st January 2007 costing Rs.180000 on which installation expenses Rs.2000 paid on the same date. It is to be depreciated @5% p.a. prepare contract A/C for the year ended 31/12/2007.

Q.5 A] What are the advantages of cost statement? (8)

B] What are the features of contract costing? (7)

OR

Q.5 Short Note(Any 3) (15)

1)Treatment of profit and loss on Incomplete contracts

2) Abnormal gain

3)Cost shut

4) Work certified and retention money

5)By-Products