19/10/19

VCD|_____| SYBAF COST ACCOUNTING| III SEM Choice Based| Oct 2019|

75 Marks| 2.5 hrs

Q1)A) State whether following statements are True or False. (Any 8) **(08)**

1. Administrative cost are mostly variable cost.
2. Cost Accounting is a branch of financial accounting.
3. Preliminary Expenses written off appears only in Financial Accounts.
4. Fixed cost per unit remained fixed irrespective of level of output.
5. Underabsorption of overhead decreases profit in costing books.
6. Loss on sale of Fixed Assets is included in cost sheet for calculating profit.
7. Invisible waste has no sale value.
8. Normal loss is controllable.
9. If a contract is iess than 25% complete, entire profit is credited to the profit & loss Accounts.
10. Cash Received on contract is credited to Contract Account.

B) Match the following. (Any 7) **(07)**

Group A	Group B
1) Interest on loan	a) Having significant value
2) Prime cost	b) non-cost item
3) Profit	c) Big job
4) Profit on Sale of Asset	d) Included in cost Accounts
5) Notional Expenses	e) Avoidable loss
6) Contract	f) Inevitable loss
7) Joint product	g) credited to contract A/c
8) Normal loss	h) Sales-Total cost
9) Material lost	i) shown in Financial Accounts only
10) Abnormal loss	j) Direct cost

Q2)A) Following details are furnished by Mark ltd. of expenses incurred during the year ended 31st March,2018 **(15)**

Particulars	RS
Purchase of Raw Materials	4,80,000
Direct Wages	2,20,000
Factory Rent	70,000
Cost of catalogue	34,200
Depreciation on plant	38,000
Cost of plant purchased	2,50,000
Opening stock of Raw Materials	50,000
Repairs of Office furniture	25,000
Carriage outwards	26,600
Interest on loan	12,000
Closing stock of Raw Materials	30,000
Loss on sale of furniture	10,000
Office Salaries	55,000
Store Keepers salary	18,000
Depreciation on office equipment	20,000
Direct Expenses	1,80,000
Power	10,000

Other Information:-

1) Stock of finished goods at the end of the year 1,000 units to be valued at cost of production.
2) No. of units produced during the year were 20,0000 units.
3) Profit desired on sales is 20% .
   Prepare cost sheet showing various elements of cost both in total and per unit and also find out total profit & per unit profit.

OR

Q2)B) Rini Ltd has furnished the following information from the financial books for **(15)**

The year ended 31st March, 2018.

Particulars	Rs	Particulars	Rs
To Opening stock(Finished goods 2,500 units)	2,50,000	By Sales(47,500 units)	59,85,000
To Raw Materials	20,80,000	By closing Stock(Finished Goods 5,000 units)	5,00,000
To Direct Wages	15,15,000	By Commission Received	47,000
To Factory Expenses	10,18,000	By Net Loss	36,000
To Office Expenses	8,45,000		
To Selling Expenses	7,00,000		
To Goodwill W/O	60,000		
To loss on sale of Asset	1,00,000		
	65,68,000		**65,68,000**

The following information is revealed from the cost records for the year ended 31st March, 2018

1) Raw Materials consumption is Rs 40 per unit of production.
2) Direct wages are 70% of Direct Materials.
3) Factory overheads are recovered @50% of Direct materials.
4) Administrative overheads are taken @20% of work cost.
5) Selling Expenses are recovered Rs 15 per unit.
6) Opening stock of finished Goods is valued at Rs 101.80 per unit.
7) Closing stock of finished Goods is to be valued at cost of production.
8) Selling price is recorded at Rs 125 per unit.

Prepare: -

1) Detailed cost sheet showing total cost, per unit cost and profit.
2) Statement of Reconciliation.

Q3)A) The following information relates to a building contract undertaken by Arjun Ltd **(15)** for Rs10,00,000 and for which 80% of the value of work certified by the architect is being paid by the contractor.

Particulars	I year	II year	III year
Material issued	1,20,000	1,45,000	84,000
Direct Wages	1,10,000	1,55,000	1,10,000
Direct Expenses	5,000	17,000	6,000
Indirect Expenses	2,000	2,600	500
Work certified	2,35,000	7,50,000	10,00,000
Plant issued	14,000	-	-
Material at site	2,000	5,000	8,000

The value of plant at the end of I, II, & III year was Rs 11,200, Rs 7,000 & Rs 3,000 respectively. Prepare Contract Account for these three years.

OR

Q3)B) Virat Ltd obtained two contract viz A& B. Contract A commenced on 1st October, 2017and Contract B started on 1st December, 2017. Following information was extracted from their books for the year ended 31st March, 2018. **(15)**

Particulars	Contract A	Contract B
Contract Price	70,00,000	15,00,000
Cash Received	11,20,000	7,65,000
Plant issued at commencement	22,50,000	12,00,000
Work Certified	14,00,000	9,00,000
Work Uncertified	52,000	28,000
Direct Wages	2,95,000	1,77,500
Direct Expenses	1,36,500	30,700
Supervision charges	3,00,000	1,70,000
Sub-contract charges	1,64,500	27,000
Indirect Materials	1,47,000	1,62,600
Direct materials	3,58,000	1,99,200
Direct material Return to stores	14,000	-
Direct material at the site at the end of the period	73,000	54,000

Provide depreciation @20% p.a. on the original cost of plant.

Prepare Contract A & Contract B Account for the period ended 31st March, 2018.

Q4)A) Product 'A' is obtained after it is processed through process X,Y & Z. **(15)**

The following cost information is available for the month ended 31st March, 2017.

Particulars	Processes		
	X	Y	Z
No. of units introduced in process	500	-	-
Rate per unit of units introduced	04	-	-
Cost of materials	2,600	2,000	1,025
Direct Wages	2,250	3,680	1,400
production overheads	2,250	3,680	1,400
Normal loss(% of units introduced in each process)	10%	20%	25%
Value of scrap per unit	02	04	05
output in units	450	340	270

There is no stock in any process.

You are requested to prepare the Process Accounts.

OR

Q4)B) Reliable Ltd manufactures a yarn product. The product passes through three consecutive Processes F.Y, S.Y and T.Y. Relevant details for the month of March, 2017 are as follows:- **(15)**

	Processes		
Particulars	**F.Y**	**S.Y**	**T.Y**
Quantitative information in kg	-	-	-
Basic input kg @ 10 per kg	2000	-	-
Output during the month stock of process	1,950	1,925	1,679
-on 1st March, 2017	200	300	100
-on 31st March, 2017	150	400	59
Monetary Information			
Process materials	9,000	2,100	2,716
Wages	9,064	1,860,	4,000
Value of opening stock	3,880	6,720	2,800
Scrap value per kg	Rs 1	Rs 2	Rs 4

Closing stock is to be valued at the respective cost of each process.

Prepare process Accounts, process stock Accounts, Abnormal loss and Abnormal Gain Accounts.

Q5)1) Explain different components of cost sheet. **(08)**

2) Explain advantages and disadvantages of process costing. **(07)**

OR

Write short notes (any3) **(15)**

1) Concept of work certified & work uncertified
2) Abnormal loss
3) Treatment of profit in Contract A/c
4) Direct cost
5) Need of Reconciliation statement

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