VCD: 30|10|23 **SYBAF SEM III COST ACCOUNTING 75 Marks $2^{1/2}$ Hours**

Self-finance

Q.1. A) Fill in the blanks. (Any 8) (08)

1. In cost accounting CPU stands for __________.
   (a) Cost per unit (b) Cost profit unit (c) Control per unit
2. The aggregate of ________ costs is termed as overheads.
   (a) Direct (b) Indirect (c) Total
3. Which of the following items is not included in preparation of a cost sheet?
   (a) Carriage Inward (b) Carriage Outward (c) Interest
4. In contract costing payment of cash to the contractor is made on the basis of
   (a) Retention money (b) Certified work (c) Uncertified work
5. Prime Cost is also known as __________cost.
   (a)Direct (b)Indirect (c)Works
6. Construction companies follow __________ costing.
   (a)Process (b)Contract (c)Standard
7. ________expenses are ignored while making cost sheet.
   (a) Selling (b) Financing (c) Costing
8. Dividend received is shown in __________ A/c.
   (a)Cost (b)Financial (c)Management
9. __________expense is an example of Selling Overheads.
   (a)Rent (b)Advertisement (c)Power
10. __________ is valued in terms of cost.
   (a)Work uncertified (b)Work certified (c) Cash received

Q.1. B) State Whether the following statement is True or False. (Any 7) (07)

1. Prime cost = Direct Material Cost + Direct Labour Cost + Direct Expenses.
2. Overheads includes only fixed cost.
3. The sale price of a material for a contract is credited to the contract account.
4. Dividend paid is a financial income.
5. A cost sheet and income statement is one and the same.
6. Goodwill written off appears only in cost accounts.
7. Contractee is a person who takes the contract.
8. Cash received on contract is credited to contractee account.
9. Cost of production = Work Cost + Administrative Overheads.
10. Need for reconciliation arises because of difference in valuation of stocks in cost and financial accounts.

Q.2 (a) The following data have been extracted from the books of Shri Ganesh Industries Ltd. for the year 2017: (15)

Particulars	₹
Opening stock of Raw Material	25,000
Purchases of Raw Material	85,000
Closing stock of Raw Material	40,000

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Carriage Inwards	5,000
Wages (Direct)	75,000
Wages (Indirect)	10,000
Other Direct Charges	15,000
Rent and Rates:	
Factory	5,000
Office	500
Indirect Consumption of Material	500
Depreciation on Plant	1,500
Depreciation on Office Furniture	100
Salary:	
Office	2,500
Salesman	2,000
Other Factory Expense	5,700
Other Office Expenses	900
Managing Director's Remuneration	12,000
Other Selling Expenses	1,000
Travelling Expenses of Salesman	1,100
Carriage Outwards	1,000
Sales	2,50,000
Advance Income Tax Paid	15,000
Advertisement	2,000

The Managing Director's Remuneration is to be allocated ₹ 4,000 to factory, ₹ 2,000 to the office and ₹ 6,000 to selling departments. From the above information prepare a statement of cost showing (a) Prime Cost (b) Work Cost (c)Cost of Production (d) Cost of Sales (e)Net Profit.

OR

Q.2 (b) From the following particulars of Geeta Ltd. prepare a reconciliation statement. **(15)**

Particulars	₹
Net Profit as per Financial records	1,54,506
Net Profit as per Costing records	2,06,880
Works Overheads under recovered in Costing	3,744
Administrative Overheads recovered in excess in Costing	2,040
Depreciation Charged in Financial Accounts	13,440
Depreciation Recovered in Cost Accounts	15,000
Interest received but not included in Cost	9,600
Obsolescence loss charged in Financial records	6,840
Income tax provided in Financial books	48,360
Bank Interest credited in Financial books	900
Stores adjustment credited in Financial books	570
Depreciation of Stock charged in Financial books	8,100

Q.3 (a) The following is the summary of the entries in a contract Ledger as on 31st December, 2017 in respect of Contract No. 51 **(15)**

Particulars	₹
Materials (Direct)	60,000
Materials (from stores)	13,000
Wages	34,600
Direct Expenses	13,400
Establishment Charges	16,000
Plant	68,400
Sale of Scrap	3,640

You are given the following information:

1. Accruals on 31-12-2017 are: Wages ₹ 1,600 and Direct Expenses ₹ 2,200.
2. Depreciation on plant upto 31-12-2017 is ₹ 17,100.
3. Work Uncertified was ₹ 9,000.
4. Material on site on 31-12-2017 cost ₹ 20,000.
5. Work Certified was ₹ 1,25,000.

Prepare Contract Account No. 51 and how that profit and loss should be taken into account for the year ended 31st December, 2017.

OR

Q.3 (b) A firm of contractors commenced three contracts viz. A, B, C on 1st April, 2012, on 1st October, 2012 and on 1st January, 2013 respectively. The following particulars about three contracts are obtained for the year ended 31st March, 2013. **(15)**

Particulars	Contract A	Contract B	Contract C
Contract Price (₹)	8,00,000	2,50,000	2,50,000
Material Issued (₹)	1,44,000	58,000	20,000
Wages Paid (₹)	2,20,000	1,12,400	14,000
Direct Expenses Paid (₹)	10,400	3,600	1,400
Plant Installed (₹)	40,000	16,000	12,000
Material at site at end of the year (₹)	8,000	4,000	2,000
Wages Outstanding (₹)	6,800	3,600	1,600
Work Certified (% of contract price)	50%	64%	14.4%
Cash Received	75%	75%	75%
Work Uncertified (₹)	12,000	8,000	2,100
Direct Expenses Prepaid (₹)	1,200	400	200

The plants are installed on respective dates of the contracts and depreciation is to be provided at 10% p.a.

Prepare Contract Accounts A, B and C and show the calculation of profits transferred to Profit and Loss Account.

Q.4 (a) Y Ltd. manufactures a chemical product which passes through three processes. The cost records show the following particulars for the year ended 30th June, 2014. **(15)**
Input to I process 20,000 units @ ₹ 28 per unit.

Particulars	Process I ₹	Process II ₹	Process III ₹
Materials	48,620	1,08,259	1,03,345
Labour	32,865	84,553	77,180
Expenses	2,515	10,588	16,275
Normal Loss	20%	15%	10.00%
Scrap value per unit	1	2	3
Actual Output (Units)	18,000	16,000	15,000

Prepare Process Accounts. Also show process cost per unit for each process.

OR

Q.4 (b) Product X is obtained after it is processed through three distinct processes. **(15)**
The following information is available for the month of march, 2014:

Particulars	Total ₹	Processes A	B	C
Material Consumed	22,500	10,400	8,000	4,100
Direct Labour	29,320	9,000	14,720	5,600
Production Overheads	29,320	-	-	-

2,000 units at ₹ 4 per unit were introduced in process A. Production overheads to be distributed as 100% on direct labour. The actual output and normal loss of the respective processes are:

Processes	Output in Units	Normal Loss on Inputs	Value of Scrape per units ₹
Process A	1,800	10%	2
Process B	1,360	20%	4
Process C	1,080	25%	5

There is no stock or work-in-progress in any process. You are required to prepare process account.

Q.5 (a) What are the features of process costing? **(08)**
(b) Meaning and advantages of cost sheet. **(07)**

OR

Q.5.(c) **Short Notes. (Any THREE)** **(15)**

1. Reason for difference between cost and financial accounting.
2. Retention Money
3. Direct Cost
4. Advantages of Process Costing
5. Advantages of Contract Costing