

- N.B. : (1) Question No. 1 and 2 are compulsory.
 (2) Answer any **one** among Question Nos. 3 and 4.
 (3) Answer any **one** among Question Nos. 5 and 6.
 (4) **Figures to the right** indicate full marks allotted.
 (5) Working should form **part** of your answer.

1. Deepak Transport Co. has provided the following information in respect of a truck of 15 5 tonne capacity.

Cost of Truck	₹ 90,000
Estimated life	10 years
Repairs and maintenance	₹ 500 p.m.
Driver Salary	₹ 500 p.m.
Cleaner Salary	₹ 250 p.m.
Insurance	₹ 4,800 per year
Road Tax	₹ 2,400 per year
Supervision	₹ 4,800 per year
Diesel and Oil	₹ 15 per trip each way

Truck covers 50 km each way.

On outward trip freight is available to the extent of full Capacity and on return 20% of Capacity.

Assume truck runs average 25 days a month.

Calculate :—

- (1) Operating Cost tonne-km.
- (2) Rate per tonne per trip that the company should charge if a profit on 50% on freight is to be earned.

- (a) State whether the following statements are True or False :—

- (i) Integral Accounts merge Financial and Cost Accounts in one set of Accounts.
- (ii) Water supply service company uses Number of Hours pumped as cost unit.
- (iii) Log Book and Daily Log sheet are one and the same.
- (iv) Operating Costing and Operation Costing are similar.
- (v) A Captive Power generation unit in a manufacturing company is not called a Production Department.

[TURN OVER

- (b) Choose the most appropriate answer from the following and rewrite the complete statement :—
- (i) If the present cost of the car is ₹ 50,000/-. Residual value at the end of the 5th year is ₹ 10,000/-. the monthly depreciation is—
- ₹ 8,000
 - ₹ 8,667
 - ₹ 667
 - None of the above.
- (ii) Service Costing is not used in one of the following—
- Electricity
 - Hospitals
 - Transport
 - Electronics
- (iii) In _____ accounts, no personal accounts are kept but the transactions affecting the nominal accounts are recorded.
- Financial
 - Integrated
 - Cost
 - None of the above
- (iv) The _____ ledgers are maintained in Non Integrated Accounting system are Cost ledger, Stores ledger, W.I.P. Ledger, Finished Goods Ledger.
- Principal
 - General
 - Interlocking
 - Cost
- (v) The document in writing adopted by trade Associations or by the undertakings following the Uniform Costing is called—
- Cost Control Manual
 - Uniform Cost Manual
 - Uniform Manual
 - Comparative Manual
- (vi) The undertakings manufacturing the same type of products can adopt.
- Interfirm Comparison
 - Activity Costing
 - Uniform Budgeting
 - Uniform Costing
- (vii) Separate ledgers for cost accounts and Financial Accounts are contained in.
- Integrated Accounting
 - Non-Integrated Accounting
 - Interlocking of Accounts
 - Cost Ledger Accounting
- (viii) The technique used in evaluation of performance, efficiency, costs, profits etc. of firms producing same type of products is called.
- Inter firm comparison
 - Uniform Costing
 - Efficiency Audit
 - Propriety Audit
- (ix) In transport costing _____ will not be in direct proportion to kilometer run.
- operating Expenses
 - standing expenses
 - running expenses
 - direct expenses
- (x) Maintenance of _____ accounts avoids duplication of efforts and reconciliation of cost and financial accounts is not required.
- Financial
 - Cost
 - Integrated
 - Interlocking

3. Max well Co. which operates a batch costing system fully integrated with the financial accounts. The following relevant information is provided to you. 15

Opening balances as on 1-4-2011		₹
Stores ledger Control A/c.		12,500
WIP Control A/c.		10,000
Finished goods Control A/c.		17,500
Prepaid Production O/H		1,500
Transactions during April, 2011		
Material Purchase		37,500
Material Issued to Production		15,000
Material Issued for Factory Maintenance		2,000
Material transferred between batches		2,500
Wages paid to direct workers		12,500
Wages paid to indirect workers		12,500
Direct wages charged to batch .		10,000
Non productive time of direct workers		2,500
Selling overheads incurred		3,000
Other production O/H incurred .		6,000
Sales		50,000
Cost of finished goods sold		40,000
Cost of goods completed and transferred to finished goods during month		32,500
Physical Value of WIP end of month		20,000

Production O/H absorption rate 150% of direct wages charged to WIP.

Prepare :

- (1) Store Ledger Control A/c.
- (2) WIP Control A/c.
- (3) Finished goods Control A/c.
- (4) Production O/H Control A/c.

OR

4. The following figures have been extracted from the cost records of a manufacturing unit :— 15

	₹
Stores : Opening balance	30,000
Purchases	1,60,000
Transfers from Work-in-Progress	80,000
Issues to work-in-Progress	1,60,000
Issues to repairs and maintenance	20,000
Deficiencies found in stock taking	6,000

Work-in-Progress :

Opening Balances	60,000
Direct wages applied	60,000
Overheads applied	2,40,000
Closing balance	40,000

[TURN OVER

Con. 7177-CG-5437-12.

4

Finished products : Entire output is sold at a profit of 10% on actual cost from work-in-progress.

Other wages incurred ₹ 70,000 ; overheads incurred ₹ 2,50,000.

Items not included in cost records : Income from Investments ₹ 10,000 ; loss in sale of capital assets ₹ 20,000.

Draw up stores control account, Work-in-Progress Control Account, Costing Profit and Loss A/c.

5. The following balances were extracted from A and Co. Ltd. as on 31st December, 2011. 15

Particulars	₹	₹
Raw Materials Control A/c.	48,836	
Work-in-Progress Control A/c.	14,745	
Finished Stock. Control A/c.	21,980	
Normal Ledger Control A/c.		85,561
	85,561	85,561

Further transactions took place during the following quarter as follows :—

₹

Factory overhead - allocated to WIP	11,786
Finished Goods - at Cost	36,834
Raw Materials purchased	22,422
Direct Wages - allocated to WIP	18,370
Cost of Goods Sold	42,000
Raw Materials issued to Production	17,000
Raw Materials credited by Suppliers	1,000
Inventory Audit - raw material losses	1,300
WIP rejected (with NO Scrap Value)	1,800
Customer Returns (at cost) of finished goods	3,000

Prepare all the Ledger accounts in Cost Ledger.

OR

Write short notes on (any three) :—

- Objectives of Operating Costing.
- State the objectives of Inter-firm Comparison.
- Advantages of Uniform Costing.
- Define Uniform Costing and State the important features of uniform costing.

15