09/04/2018 T.Y. BAF (Sem-V) (CBSGS) Library
Thursday
Sub: Cost Accounting - III

Q.P. Code : 11348

(2½ Hours) [Total Marks : 75

1. (a) Fill in the blanks (any seven) :– 7

(i) __________ helps an individual firm in cost control.

(ii) __________ is the technique of evaluating the performance, efficiency, costs and profits of firms in an industry.

(iii) __________ is a written document, which may be in the form of a booklet or bulleting containing the principles, methods and procedures for the ascertainment and control of cost in uniform costing.

(iv) Operating costing uses the method of __________ costing when costing a particular trip by a bus.

(v) Road licence fees is a __________ cost.

(vi) Under __________ system, there is no need for reconciliation between the financial and cost accounts.

(vii) __________ means the process of accounting for cost from the point at which expenditure is incurred or committed to the establishment of its ultimate relationship with cost centers and cost units.

(viii) __________ account is not needed to be opened in Integral accounting system.

(ix) __________ is a document which sets out the responsibilities of the persons engaged in, and the routine of and the forms and records required for, costing and cost accounting.

(x) Abnormal Loss is debited to __________ in non-integrated system of accounting.

(b) Rewrite and state whether the statements are True or False (any **eight**) :– 8

(i) Cost Ledger Control account represents the personal cash or bank accounts shown in financial books.

(ii) Selling and distribution costs are debited to selling and distribution overhead account.

(iii) Posting in wages control accounts are made from wage analysis sheet.

(iv) Loss on the sale of furniture is not included in accounts under integral system.

(v) Finished goods Ledger control account will always have a debit balance.

(vi) The closing balance of costing P & L A/c represents under or over-absorption of overheads.

(vii) Operation costing is a form of operating costing.

(viii) In case of service industry, the closing stock of work-in progress is always valued at labour cost.

(ix) The main objectives of Uniform costing is to eliminate healthy competition among the different units of an industry.

(x) Interfirm comparison ensures a biased specialized reporting on particular problems of the concern.

2. Deepika Ltd. operates separate cost accounting and financial accounting systems. 15
The following is the list of opening balance as on 1st September 2014 in the cost ledger.

Particulars	Dr.₹	Cr.₹
Stores Leder Control A/c	80,000	-
WIP Control A/c	1,25,000	-
Finished Goods control A/c	95,000	-
General Ledger Adjustment A/c	-	3,00,000

Transaction for the month of September 2014 were as under :

	₹
Material purchased (40% cash)	90,000
Wages paid (including indirect wages ₹ 25,000)	75,000
Production overheads incurred	70,000
Material issued for factory repairs	15,000
Production overheads under-absorbed and written-off to costing P & L A/c.	8,000
Material issued to production cost of goods sold	1,20,000
Finished goods as on 30th September increased by ₹15,000	
Profit during the month was transferred to General Ledger Adjustment A/c.	
Cost of goods sold	1,90,000
Sales	2,50,000

You are required to prepare the following :–

(i) Stores ledger control A/c
(ii) WIP Control A/c
(iii) Finished goods control A/c
(iv) Factory overhead control A/c
(v) Costing P & L A/c
(vi) Sales A/c
(vii) General Ledger Adjustment A/c
(viii) Cost of Sales A/c
(ix) Trial Balance as on 30th September, 2014.

OR

3. Kedar Ltd. operates non-integrated system of accounting for the year ended 31st March 2014. 15
The following information is available.

Sales ₹ 9,00,000
Wages were 1/3 of Works cost
Opening stock of Raw Material ₹ 50,000
Opening Stock of Finished Goods ₹ 50,000

Profit 25% on total cost.

Administrative overheads were 20% of Works cost.
Balance in stores Ledger control A/c represent raw material transferred to production.
Closing Stock of WIP ₹ 45,000
Closing stock of finished Goods ₹80,000
Factory overhead were 25% of wages
Opening stock of WIP ₹40,000
Closing Stock of Raw material ₹ 60,000
Cost of goods sold ₹ 6,90,000
Balance in production A/c represents the cost of goods produced.

Total wages are applied to production Factory overhead are allocated to production.
You are required to prepare.

(i) General Ledger Adjustment A/c
(ii) Work in progress control A/c
(iii) Cost of Sales Control A/c
(iv) Costing Profit & Loss A/c
(v) Trial Balance as on 31st March, 2014.

4. Jaipur-Agra Ltd. keeps books on Integral accounting system. Transactions for the month of August 2014 were as under : 15

		₹
(i)	Raw material purchased from Arjun & Co. (80% on Credit)	2,00,000
(ii)	Depreciation on Machinery	30,000
(iii)	Cost of goods produced	3,00,000
(iv)	Manufacturing overheads payable	10,000

(v)	Purchase of materials for immediate repair work from Kartik	50,000
(vi)	Return of Indirect Material to store	35,000
(vii)	Sales (25% on cash)	6,00,000
(viii)	Material returned to Arjun & Co. from stock	20,000
(ix)	Salaries payable to Utsav	25,000
(x)	Cost of spoiled and defective work taken out of process	5,000
(xi)	Over-absorption of selling and Distribution overheads	15,000
(xii)	Cost of goods sold	5,00,000
(xiii)	Receipt from customer	2,50,000

You are required to pass journal entries in the books of Jaipur-Agra Ltd. for the month of August 2014.

OR

5. Sonu Ltd. keeps books on Integrate accounting system. Transactions for the month of October 2014 were as under :

		₹
(i)	Raw material purchased from Big Boss Ltd. (80% on Credit)	2,00,000
(ii)	Depreciation on Delivery Van	40,000
(iii)	Goods produced and transferred to warehouse	3,50,000
(iv)	Wages payable to Yesha	25,000
(v)	Return of indirect material to stores	30,000
(vi)	Loan from ICICI Bank	1,00,000
(vii)	Under-absorption of office overhead	20,000
(viii)	Sales to Carol (30% on credit)	5,00,000
(ix)	Work overheads payable	35,000
(x)	Receipt from Carol, 60% of amount due by cheque	
(xi)	Cost of goods sold	3,25,000
(xii)	Cost of defective work taken out of process	10,000
(xiii)	Purchase of computer from X Ltd. (60% on Credit)	50,000

15

You are required to pass journal entries in the books of Sonu & Ltd. for the month of October, 2014.

6. Sail Transport Company supplies the following details in respect of a truck of 4-tonne capacity. 15

Cost of Truck	₹ 12,00,000
Estimated life	12 years
Diesel, oil, Grease etc.	₹ 70 per trip each day
Repairs & Maintenance	₹5000 p.m.
Cleaner's Wages	₹4000 p.m.
Driver's wages	₹1,44,000 p.a.
Insurance	3% p.a.
Tax	₹60,000 p.a.
Supervisor's salary	₹6,000 p.m.

The truck carries goods to and from the city covering a distance of 80kms each way. On outward trip, freight is available upto the full capacity and on return trip 50% of capacity. Assume that the truck runs on an average of 25 days a month. Calculate : (a) Operating cost per tonne-km and (b) Rate per tonne per trip that the company should charge if a profit of $33\frac{1}{3}\%$ on freight is to be earned.

OR

7. Srinath owns a bus which runs between Mumbai and Pune and back, for 15 days in a month. The distance between Mumbai and Pune is 180 kms. The bus completes the trip from Mumbai to Pune and back on the same day. The bus goes to Alibaug for another 15 days. The distance between Mumbai and alibaug is 120kms. The trip is also completed on the same day. 15

The following information is available

Cost of Bus	:	₹20,00,000
Depreciation	:	25% p.a.
Salary of Driver	:	₹20,000 p.m.
Insurance	:	2% p.a.
Salary of cleaner	:	₹4000 p.m.
Salary of conductor	:	₹1,08,000 p.a.

Diesel consumption is 15 kms per litre. Diesel cost ₹60 per litre. Tax is ₹84,000 p.a. Lubricants ₹500 per 50 kms. Repairs and Maintenance ₹5000 p.m. Permit fee ₹3000 p.m. and the normal capacity is 50 persons. The bus generally has 80% of its capacity occupied when it goes to Pune and 70% when it goes to Alibaug. Passenger Tax is 25% of his net takings.

Calcualte the charges to be made if a profit at $33\frac{1}{3}\%$ is to be earned on his takings.

8. (a) Define Uniform costing. What are the essential requisities for the installation of a uniform costing system ? 8

(b) Write limitations of inter-firm comparison. 7

OR

9. (a) Write a short notes on (any **three**) :– 15

(i) Ratios in inter-firm comparison

(ii) Cost ledger control account

(iii) Features of Integrated System

(iv) STand by cost and running cost

(v) Service costing.