

Q.P. Code :19706

[Time: 2½ Hours]

[Marks: 75]

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory.
 2. Working should form part of your answer.

Q.1 A) Select the correct alternative: (Any 8)

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- 1) The ledger which consist of accounts of individual items of raw material is –
 - a) Cost Ledger
 - b) WIP ledger
 - c) Stores ledger
 - d) Finished Goods ledger
- 2) Profit on sales is credited to –
 - a) Costing profit & Loss A/c
 - b) Cost of sales A/c
 - c) WIP control A/c
 - d) None of these
- 3) In cost accounts-
 - a) There are no personal accounts
 - b) There are no real accounts
 - c) There are no nominal account
 - d) None of these.
- 4) The balance of Factory overhead control A/c is transferred to –
 - a) Overhead Adjustment A/c
 - b) Direct wages control A/c
 - c) A & B
 - d) None of these
- 5) Classifications of cost as fixed and variable is of special importance in-
 - a) Process costing
 - b) Unit costing
 - c) Operating costing
 - d) None of these
- 6) The unit of cost for hospitals is –
 - a) Per bed
 - b) Per ton
 - c) Per km

- d) Per unit
- 7) Equivalent unit are calculated by –
- Actual no, of units x stage of completion
 - Production x stages of completion
 - Input x stage of completion
 - None of these.
- 8) Uniform costing is a –
- System of costing
 - Technique of costing
 - Method of costing
 - None of these.
- 9) Uniform costing helps to control –
- Manpower
 - Cost
 - Finance
 - All of these
- 10) The objective of inter firm comparison is to –
- Increase productivity and efficiency
 - Increase morale of employees
 - Increase loyalty of consumers
 - None of these.

B) Rewrite and state whether the statements are True or False (any seven)

- Growth stage is the last stage in product life cycle.
- Purchase of capital equipment is the acquisition cost.
- While calculating equivalent units normal loss must be considered.
- Composite cost unit for cinema house is man show
- Good will written off is not included under integral system.
- Uniform costing helps to control cost.
- Under non integrated system there is no need for reconciliation between cost and financial cost accounts.
- Cost drivers are forces that determines cost
- Deficiency in stock taking is debited to store ledger control account.
- Inter-firm comparison is a tool of for control.

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- Q.2 The following balances are shown in the cost ledger of Trinity Limited as on 31st March 2015, From 15 the following information, you are required to prepare necessary ledger account for the year ended 31st March 2016 and prepare Trial Balance.

Particulars	Debit (Rs.)	Credit (Rs.)
Work- in progress Account	17000	
Factory Overheads Suspense Account	1200	
Finished Stock Account	15300	
Store Ledger Control Account	19500	
Administration Overheads Suspense Account	1000	
General Ledger Adjustment Account		54000
	54000	54000

Transaction during the year ended 31st March 2016

Store issued to production	55000
Store purchased	62500
Material purchased for direct issue to production	1000
Wages paid (including direct wages Rs. 65000)	68000
Administration expenses	16000
Selling expenses	15500
Factory overheads	15500
Store issued for Capital work- in – progress	11000
Store issued for factory repairs	12000
Factory overheads applied to production	26500
Administration overhead charged to production	14500
Factory overhead applicable to finished work	13000
Selling overheads allocated to sale	15000
Store lost due to fire in store (not insured)	1000
Administration Expenses on unfinished work	1800
Finished goods transfer to warehouse	117000
Finished goods stock as on 31 st March 2016	24000
Finished good sold	130000

OR

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Q.2 Bacchraj Enterprise Operates an integral system of accounting. You are required to pass journal entries for the following transaction that took place for the year 31st March 2017.

15

a) Material purchased from Mahi & Co(25% cash) & balance credit)	Rs 600000
b) Material issued to production	Rs 400000
c) Wages paid (30% indirect)	Rs 160000
d) Wages charged to production	Rs 120000
e) Selling and distribution expenses paid to ADMAD Ltd.	Rs 100000
f) Factory overheads absorbed is 150% of wages charged to work in progress.	
g) Cost of good completed during the period	Rs 760000
h) Cost of finished goods sold	Rs 900000
i) Sales (30% cash)	Rs 1200000
j) Paid 50% of the balance to Mahi & Co.	
k) Receipt from customs 75% of the balance amount	
l) Selling & distribution expenses absorbed	Rs 80000
m) Administration overheads incurred	Rs 60000
n) under absorption of administration overheads	Rs 20000

Q.3 In a factory following details are given for printing process.

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Opening Works in process is 1000 meter of partly printing cloth valued at Rs 40000.

Degree of completion for opening work in process is as follows: - Material 80%, Labour 60% and overheads 30%.

During the month 12000 meter of plain cloth was introduced into the printing process at cost of Rs 143000

Normal loss expected is 5% of units produced during the month excluding work in process at the end. Spoiled cloth realised at Rs 2 per meter. 600 meter of cloth were spoiled when 100% of material, labour cost and overhead cost had actually been incurred.

Further following costs were incurred

Material	Rs 20000
Labour	Rs 85600
Overheads	Rs 48500

Partly printed cloth at the end of the month was 3000 meters. Upon which 70% of material lost, 60% of labour cost, 83% of overhead cost has been incurred. You are required to prepare (a) statement of equivalent production (b) cost statement of cost per equivalent unit and cost apportionment (c) prepare process accounts & the company follows FIFO method of calculation

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OR

- Q.3** Rehan Co Ltd manufactures a product that passes through three different process. Prepare process Accounts and finished stocks Account from the information given below **15**

Particulars	Process A	Process B	Process C
	Rs	Rs	Rs
Direct material	450000	112500	112500
Wages	350000	250000	250000
Closing stock	115000	130000	300000

Finished goods were sold for Rs.20,00,000 and the value of finished stock at closing was Rs.80000. It is the policy of the company to charge 20% on selling price while transferring goods from process A to process B and 25% on cost price from process B to process C to finished stock.

- Q.4** Namrata Roadways company supplies the following details in respect of truck of 6 tonne capacity **15**

Cost of Truck	-Rs 200000
Estimated life	-10 Years
Repairs	-Rs 1000 per month
Driver wages	-Rs 4000 per month
Cleaner wages	-Rs 2000 per month
Insurance	-Rs 10000 per year
Taxes	-Rs 2500 per year
Garage Rent	-Rs 5000 per year
Diesel & oil	-@Rs 120 per trip each way

The truck carries goods to and from a city covering a distance of 60 kilometers each way while going to the city, freight is available to the extent of full capacity and on return 20% of capacity. Assuming that truck runs on an average 25 days in a month. You are required to.

- Calculate Operating cost per tonne-kilometer
- Rate per tonne per trip that the company should charge, if profit 50% on the freight is to be earned.

OR

- Q.4** Sanjeevni hospital operates ayurvedic center where on an average a patient will make Four visits to the center. The hospital estimates the following cost for the ayurvedic center for the month of September 2017.

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House Keeping charges per month	Rs. 10000
Rent for the month	Rs 20000
Receptionist salary per month	Rs 15000
Medication charges	Rs 20000 per month
Other charges	Rs 25000 per month
Physiotherapist fees	Rs 600 per patient per visit
Computer record per patient per visit	Rs 3
Assistant salary	Rs 5000 per month
Electricity charge per month	Rs 4000 per month

Hospital expects on an average 200 patients in a month. What should be the amount charge to each patient per visit if hospital expects 20% profit on revenue.

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| Q.5 | a) What is inter firm comparison and its limitation? | 07 |
| | b) Distinguish between integrated and non integrated accounting system? | 08 |
| OR | | |
| Q.5 | Write short notes (any three) | 15 |
| | a) Interprocess profit | |
| | b) Life cycle costing | |
| | c) Benefits of ABC | |
| | d) Feature of operating costing | |
| | e) Equivalent Units of production | |
