

**Q.P. Code :19707****[Time:  $2\frac{1}{2}$  Hours]****[ Marks:75]**

Please check whether you have got the right question paper.

N.B: 1. All questions are compulsory.

Q.1 A) Match the following any (8)

08

Column 1	Column 2
1) Design specification	a) Benefits from uniform cost
2) Target cost	b) Individual item of material
3) Maturity	c) Under absorption of overhead
4) Equivalent units	d) Stage in life cycle
5) Stores ledger	e) Initial cost
6) Overhead adjustment a/c	f) Fixed cost
7) Work in process	g) Actual no of units X stage of completion
8) Insurance	h) Desired profit
9) Mutual trust	i) Raw material in processing stage
10) Healthy competition	j) Essence of uniform costing

07

B) State whether the following statement are True or False (Any 7)

- 1) Inter firm comparison does not maximize profitability.
- 2) Under Integrated system General ledger Adjustment A/C shows real accounts
- 3) Equivalent units are units equal to input.
- 4) Target costing is a method of costing.
- 5) There is no difference between operating costing and process costing.
- 6) Overhauling is running cost
- 7) Under Non integrated system Cost A/ c and Financial A/c are maintained separately
- 8) Under non integrated system finished good ledger shows cost of finished goods.
- 9) ABC is a technique of allocation of common cost.
- 10) In operating costing, cost of petrol is a running cost.

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Q.2 Journalise the following transactions assuming that the cost and financial records are Integrated.

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	Rs
Raw material purchased	2,00,000
Direct material issued to production	1,50,000
Wages charged (30 % indirect )	1,20,000
Wages charged to production	95,000
Manufacturing Expenses incurred	84,000
Manufacturing overhead charged to production	92,000
Selling & Distribution costs	20,000
Finished products (at cost )	2,00,000
Sales	2,90,000
Closing stock	Nil
Receipt from debtors	69,000
Payment to Creditors	1,10,000

OR

Q.2 David Ltd operates a separate cost accounting and financial accounting system. The following is the list of opening balances as on 1<sup>st</sup> June 2017 in the cost ledger .

Particulars	Debit (Rs)	Credit (Rs)
Raw material control a/c	60000	-
Work in progress control a/c	15000	-
Finished stock control a/c	25000	-
Nominal ledger control a/c	-	100000
	100000	100000

Transactions for the month of June 2017 were as under:-

- 1) Purchases of raw material Rs 100000
  - 2) Transfer of raw material from work in progress to store Rs 20000
  - 3) Issue of raw material to work in progress Rs 120000
  - 4) Issue of raw material to repairs & maintenance Rs 5000
  - 5) Deficiency in stock taking Rs 5000
  - 6) Direct wages applied to work in process Rs 100000
  - 7) Factory overheads applied to work in process Rs 50000
  - 8) Factory overheads incurred Rs.50000
  - 9) Material transferred between batches Rs 10000
  - 10) Cost of goods sold 2,50,000
  - 11) Sales 3,00,000
  - 12) Finished goods bas on 30 June 2017 Rs 15000 prepare necessary ledger account & Trial balance
- Prepare necessary ledger accounts and Trial balance.

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Q.3 The following data are available in respect of process II for the month of June 2015

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Opening Work – in progress	1000 Units at Rs 5000
Input of material	9000 Units at Rs 28600
Direct Wages	Rs. 16680
Production Overheads	Rs. 8340
Units Scrapped	1000 Units
Unit Transferred to next process	8000 Units
Closing work – in – progress	1000 Units

Degree of completion	Opening stock	Closing stock	Scrap
Material	100%	100%	100%
Labour	60%	80%	70%
Overheads	60%	80%	70%

Normal process loss is 8% of total input (opening stock and units put in). Scrap value is Rs .5 per unit. The company follows FIFO method of inventory valuation.

You are required to:

- Prepare statement of Equivalent production
- Statement of cost per equivalent unit for each element and cost of closing work in progress and units transferred to next process.
- Prepare process account and abnormal Gain/ Loss account.

OR

Q.3 A certain product passes through three process before it is completed & transferred to finished stock the following data are obtained at the end of 31<sup>st</sup> March 2015

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Particular	Process I	Process II	Process III	Finished Stock
Direct material	5000	7000	3000	-
Direct labour	6000	5000	9000	-
Stock on 31 <sup>st</sup> March	3000	6000	8000	5000
Sale during the year	-	-	-	60000

The output of each process is charged to the next process at a price calculated to give a profit of 20% on transfer price. The output of process –III is charged to finished stock Account on a similar basis.

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There was no work in progress at the beginning of the year and overheads have been ignored. Stocks in each process have been valued at prime cost of the process.

You are required to process.

- Process cost Accounts showing profit elements at each stage.
- Actual Realised profit.

Q.4 The following expenses were incurred by a company in connection with two lorries for 25 days. 15

Particulars	Lorry A	Lorry B
Drivers wages	12000	12500
Cleaners wages	13000	13000
Petrol	20000	23000
Oil	1800	2500
Depreciation	32000	21000
Repairs	14000	14000
Supervision	8000	8000
Garage overhead	14000	12000
Road tax	4500	4500
Other overhead expenses	3500	4000

Lorry A carried 1000 tons of raw material and covered a distance of 3000 kilometers in 25 days. Lorry B carried 1200 tons of raw materials and covered a distance of 4500 kilometers in 25 days find out the cost per ton- kilometer. Prepare an operating cost sheet in summary form for the two vehicles.

OR

Q.4 Hotel has a capacity of 120 single rooms & 40 doubles rooms.  
The average occupancy of both single and double rooms, is expected to be 80% through the year of 365 days the rent for double room has been fixed at 120% of the rent of a single rooms  
The cost are as below  
variable cost – single rooms Rs 250 each pa day, Double room Rs 400 each per day.

Fixed cost : - single room Rs 150 each per day, Double room Rs 300 each per day

Calculated the rent chargeable for single & double room per day in such a way that the hotel earns margin of safety of 20% on rooms rent.

Q.5 A) What is ABC? What is the difference between ABC and Traditional costing? 08

B) Define Uniform costing? State the advantages and disadvantages of Uniform costing? 07

OR

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Q.5 Write short notes on (any three )

- i) Inter-firm comparison
- ii) Target costing
- iii) Advantages of operating costing
- iv) Work in progress ledger control account
- v) FIFO method in process costing

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