

Time 2 ½ Hours

Total Marks 75

Note – All Questions are compulsory

Each Question carries 15 marks

Q.1) State whether True or False (Any Eight)

(8 Marks)

- Cost ledger is subsidiary ledger
- Normal loss is treated as normal cost of production
- Four set of books are reconciled under integrated system
- In Process account if there is normal loss the loss is borne by the good units completed
- In a process where abnormal gain arises the scrap value of normal loss must be adjusted to calculate net gain
- A composite unit should reflect the key variables involved in service provision
- Depreciation is a running cost
- Activity based costing uses cost driver as the basis for absorption rate
- Activity based costing does not require primary distribution of overhead
- Life cycle costing is a technique to establish the total cost of ownership

Q.1)B) Match the following (Any Seven)

(7 Marks)

Group A	Group B
Production Overhead	Net Profit as per P& L A/c
Hospital	Standby Cost
Non-Integrated system	Technique of costing
Costing P & L A/c	Running Cost
Road tax	Maintenance Cost
Repairs	Production Overhead Control A/c
Equivalent Units	Production X Stage of completion
Acquisition cost	Per patient – Day
Life Cycle Costing	Cost & Financial A/c maintained separately
Activity Based Costing	Debited to Costing P & L A/c
	Purchased of Capital Equipment
	Cost Based on cost Driver

Q.2) The following transactions are extracted from the books of Krabi Ltd.. You are required to pass journal entries under integrated accounts system.

(15 Marks)

Purchase of raw materials on credit	400000	Works overheads incurred	360000
Carriage inward	2000	Material issued for repairs	2000
Paid to creditors	300000	Selling expenses paid	10000
Stores issued	250000	Office expenses paid	5000
Productive wages paid	200000	Works overheads absorbed	410000
Unproductive Wages paid	60000	Cost of completed jobs	850000

OR

Q.2) The following balances were extracted from a company ledger as on 31<sup>st</sup> December 2015

Raw Material Control Account	48850	
Stock in Progress control Account	14750	
Finished stock control Account	21900	
Nominal ledger control Account		85500
	85500	85500

Further transactions took place during the following quarter as follows

Factory overheads - Allocated to WIP	11780	Raw Material – Issued to production	17000
Goods Finished – at cost	36830	Raw Material – credited by supplier	1000
Raw Material Purchased	22400	Inventory Audit – raw material losses	1200
Direct Wages allocated to WIP	18350	WIP rejected (with no scrap value)	1800
Cost of goods sold	42000	Customer returns (at cost) of finished goods	3000

Prepare necessary ledger account and Trail balance (15Marks)

Q.3) From the following data of M/s Ansh Processing Industry Ltd (15Marks)

Number of units introduced into the process 4000  
 Number of units completed and transferred to the next process 3000  
 Number of units in process at the end of the period 800

Stage of completion

Material 80%  
 Labour 70%  
 Overheads 70%  
 Normal process loss at the end of the process - 200 units  
 Value of scrap – Re. 1 per unit  
 Value of materials Rs.7480  
 Wages Rs.10680  
 Overheads Rs.7120

Calculate Equivalent Production, Cost per unit of equivalent production, and Process Account

OR

Q.3) A product passes through two process to completion. These processes are known as A and B. Output of Process A is transferred to process B at cost plus 25% and finished output of B is similarly transferred to finished stock at cost plus 25%. There was no work in progress in any process on 31<sup>st</sup> December. On this date the following further information is available.

	Process A (Rs.)	Process B (Rs.)
Material consumed	8000	24000
Wages	12000	16000
Closing stock (valued at Prime cost)	4000	12000

Out of the finished stock, a portion remained at hand valued at Rs.11000, the balance was sold for Rs.58000. Prepare Process Accounts and Finished Stock Account (15Marks)

Q.4)Mr. Mhatre runs mini bus service in the town and has a vehicle. He furnishes you the following data and wants you to compute the cost per running mile. (15Marks)

Cost of vehicle	25000	Maintenance per mile	1.50
Road License per year	750	Tyre cost per mile	1.00
Salaries yearly	1900	Garage rent per year	1500
Driver wages per hour	4	Annual Insurance Premium	850
Cost of fuel per litre	1.50	Miles run per litre	6
Miles run during year	15000	Estimated life of vehicle	100000 miles

Charges Interest at 10% p.a. on the cost of vehicle. The vehicle runs 20 miles per hour on an average.

OR

Q.4)From the following data relating to Vehicle N, Calculate the cost per running kilometre.

Kilometres run - annual	15000	Supervisor salary	2400
Tonnes per km – average	6	Driver wages per hour	3
Cost of vehicle	25000	Cost of fuel per litre	3
Road of license – annual	700	Kilometres run per litre	20
Insurance – annual	800	Repairs & Maintenance per km	1.75
Garage Rent – annual	850	Tyre allocation per km	90 paise

Estimated life of vehicle 100000 kms. Charge interest at 5% p.a. on cost of vehicle. The vehicle runs 20kms. Per hour on an average. (15Marks)

Q.5)A)What are the advantages and limitations of Activity Based costing? (8 Marks)

B) Explain Inter firm comparison and its features (7 Marks)

OR

Q.5) Write short notes (Any Three) (15 Marks)

- Service cost units
- Waste & scrap
- Operating Costing
- Non-Integrated Accounting
- Life cycle Costing