

- Note :**
- 1) All Questions are compulsory.
  - 2) Figures to right indicates full marks.
  - 3) Use of simple calculation is allowed.

**Q. 1 Answer any two. (7.5 marks each)**

15

- A) Product X is obtained often it is processed through two distinct processes. The following information is available for the month of March, 2014.

Particulars	I	II
Material Consumed	10,400	8,000
Direct Labour	9,000	14,720
Production overheads	9,000	14,720
Normal loss on inputs	10%	20%
Value of Scrap per unit	2	4

2000 units at 4 per unit were introduced in process I. You are require to prepare process Account. ABnormal Gain / Loss Account.

- B) The following is the summary of the entries in a contract ledger as an 31st Dec. 2013 in respect of contract no.51.

Particulars	Rs.
Materials (Direct)	60,000
Materials (From Stores)	13,000
Wages	34,600
Direct expenses	13,400
Establishment charges	16,000
Plant	68,400
Sale of scrap	3,640
Sub-contrat cost	14,400

You are given the following information :

- 1) Accruals on 31-12-13 are wages ₹1,600 and Direct expenses ₹2,200.
- 2) Depreciation on plant up to 31-12-13 is ₹ 17,100.
- 3) Included in the above summary of abstract are wages ₹2,000 and other expenses ₹3,000 since certification. The value of the material used since certifications is ₹ 4,160.
- 4) Materials on site on 31-12-13 cost ₹ 20,000
- 5) Work certified was ₹ 1,25,000.

Prepare contract Account for the year ended 31<sup>st</sup> Dec. 2013.

- C) Explain the advantages and disadvantages of process costing.

**Q. 2 Answer any two. (7.5 marks each)**

15

- A) From the following particulars calculates
- i) Material cost variance
  - ii) Material price variance
  - iii) Material usage variance

	Standard	Actual
Material	1000 kg	900 kg
Price	Rs. 12 per kg	Rs. 16 Per kg

- B) From the following information calculates

- i) Labour Cost variance      ii) Labour Rate Variance  
 iii) Labour Efficiency variance

	Standard	Actual
Number of hours	360	400
Rate per hours	1.50	1.40

- C) Explain merits and demerits of standard costing.

**Q. 3 Answer any two. (7.5 marks each)**

- A) Describe briefly about financial statement and user of financial information.  
 B) Describe briefly the procedure of vouching of sales. (Credit)  
 C) Describe briefly the procedure of certification of loan taken from Bank against security.

**Q. 4 Answer any two. (7.5 marks each)**

- A) Describe briefly steps in verification of Plant and Machinery.  
 B) Describe briefly clerical errors.  
 C) Describe points to be considered while checking of voucher.

**Q. 5 Answer the following :**

M/s. Jadhav Constructions undertook contract for ₹5,00,00,000 on 1st August, 2012. The contract was completed on 31st March, 2014. The contractor closes his accounts on 31st March. The details of the contract are as follows :

Particulars	For the period ended 31-03-2013 ₹	For the year ended 31-03-2014 ₹
Material Issued	95,48,500	1,17,65,000
Direct Labour	31,37,800	45,40,000
Subcontract Charges	7,88,900	28,13,000
Administrative Overheads	15,85,400	31,42,000
Supervision Charges	3,45,600	8,05,500
Material Returned to Stores	1,32,400	2,44,300
Work Uncertified	5,23,200	-
Work Certified (Cumulative)	2,00,00,000	5,00,00,000
Material at Site	1,00,600	-
Cash Received	1,80,00,000	3,20,00,000
Architect's Fees	4% of Work Certified	4% of Work Certified

The Plant and Machinery purchased on 01-08-2012 for the contract was ₹84,25,000 and the estimated scrap value of the Plant and Machinery at the end of the contract was ₹4,25,000. It realised on completion of contract at its estimated scrap value.

You are required to prepare :

- a) Contract Account for the period ended 31<sup>st</sup> March, 2013 and  
 b) Contract Account for the year ended 31<sup>st</sup> March, 2014.

— The End —