B.B.A.(Part-II)(with Credits)-Regular-Semester 2012 Sem III

BBA236 - Cost Accounting

P. Pages : 4 **GUG/W/16/2925**

Time : Three Hours Max. Marks : 80

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Notes : 1. All questions are compulsory.
2. All questions carry equal marks.

1. a) Define Cost Accounting. Write importance of Cost Accounting. **8**

b) Prepare cost statement showing cost per ton of Yash Paper pulp Mills Ltd. in Jan. 2014. **8**

Direct material – Paper pulp 500 tons per ton 50
other material 100 ton per ton 30
Direct Labour – 80 skilled labour per day 3 for 25 days
40 unskilled labour per day 2 for 25 days
Direct expenses – Special equipment Rs. 3000
Special colour Rs. 1000
Factory on cost – Variable 100% of Direct Labour
Fixed 60% of Direct Labour
Management overhead 10% of factory, cost sale scrap from factory 800
Selling & Distribution overhead 15% of factory cost
Profit 10% of total cost
Production 400 tons.

OR

c) A firm manufactured and sold 1000 type writer in the year 2015. It summarized Trading and Profit and Loss Account for the year 2015 is set cut below. **16**

Particular	Rs.	Particular	Rs.
To Cost of material	80,000	By Sales	4,00,000
To Direct wages	1,20,000		
To Manufacturing charges	50,000		
To Gross profit	1,50,000		
	4,00,000		4,00,000
To Management Staff salaries	60,000	By Gross profit	1,50,000
To rent rates & Insurance	10,000		
To General exp.	20,000		
To Selling exp.	30,000		
To Net profit	30,000		
	1,50,000		1,50,000

For the year 2016 it is estimated that

1) Output and sales will be 1200 Typewriters.
2) Price of material will rise by 20% on the previous year level.
3) Wages rate will rise by 5%.
4) Manufacturing charges will increase in proportion to the combined cost of material & wages.
5) Selling cost per unit will remain unchanged.
6) Other expenses will remain unaffected by the rise in the output.

Prepare a statement showing the price of which the Typewriter to be manufactured in 2016 should be marketed so as to show profit of 10% on selling price.

2. a) Profit as per cost account is Rs. 84,350. Following figures are found out on comparing cost account books with financial account books. **8**

	Cost Account	Financial Account
a) Opening Stock		
Material	15,800	16,300
Work in progress	9,000	10,000
b) Closing Stock		
Material	16,000	15,000
Work in progress	9,000	8,000
c) Dividend & Interest received	-	500
d) Loss on sale of motor car	-	600

e) Rs. 2000 interest charged not considered in financial account.

f) Goodwill Rs. 5,000 has been written off during the year.

g) Overheads incurred Rs. 56,500 but overhead recovered amounted Rs. 60,000.

Find out profit as per financial accounts and prepare a Reconciliation statement.

b) Raj manufacturing company the net profit for the year ended on 31st Dec. 2015 Rs. 64,377 as per financial books for the same period profit as per cost book Rs. 86,200. The following information will be received after the comparing the both account. Prepare Reconciliation statement. **8**

i)	Factory overheads undercharge in Cost Account	1,560
ii)	Office overhead overcharge in cost A/c	850
iii)	Depreciation as per financial books	5,600
iv)	Depreciation as per cost books	6,250
v)	Interest on Investment was non included in cost A/c	4,000
vi)	Loss by the sale of assets (In only financial books)	2,850
vii)	Income tax charge in financial books	20,150
viii)	Interest on Bank deposit and transfer fees in financial books	375 Rs.
ix)	Material adjustment (credited in Financial Account)	237 Rs.
x)	Loss by depreciation charges on opening stock (in financial book)	3,375

OR

c) A radio manufacturing company which commenced business on 1st Jan. 2015 supplies you with the following information and asks you to prepare a statement showing the profit per radio set sold. Wages and material to be charged at actual cost. Work on cost at 75% of wages and office on cost at 30% of work cost. You are also to prepare a statement reconciling the profit as shown by the cost account for the year ended 31st Dec. 2015. **16**

There was no radio set in stock or in the course of manufactures on 31st Dec. 2015 and the number of radio sets sold during the year was 540.

Other particulars given are as under

	Rs.
Material per set	240
Wages per set	80
Selling price per set	600

Prepare the necessary statement showing the actual profit for the year if the actual works expenses were Rs. 32,160 and office expenses Rs. 61,800.

3. a) From the following prepare process A, B and C account. **8**

Particular	A (Rs.)	B (Rs.)	C (Rs.)
Materials	40,000	10,000	6,000
Wages	20,000	10,000	5,000
Factory expenses	6,000	4,500	3,000
Opening stock	2,000	3,000	4,000
Closing stock	3,000	4,000	2,000
Sales of scrap	1,500	2,000	500

For the production total indirect expenses of Rs. 4,200 and production for the period is 500 tons.

b) Cost of production of Process A is Rs. 19,400 of Process B is Rs. 19,805 and of Process C is Rs. 20,460. If the production from one process to another is transferred at cost price what will be the amount of material consumed in all processes. If the following more information are given. **8**

Particular	Process A	Process B	Process C
Labour	320	236	188
Repairs	28	33	14
Factory expenses	192	11	67

Prepare Process Account.

OR

c) From the following prepare Process A, B and C A/c. **16**

Particular	A (Rs.)	B (Rs.)	C (Rs.)
Production transferred to next process	66.67%	60%	-
Production transferred to Godown	33.33%	40%	100%
Loss	4%	4%	4%
Scrap	6%	6%	6%
Sales of scrap (per tons)	3	5	6
Materials (ton)	1400	160	1260
Per ton cost of material	10	16	7
Wages and other exp.	5152	3240	2898

4. a) Prepare Contract A/c No. 200. **8**

Contract price	Rs. 8,00,000
Wages	Rs. 88,200
Plant issued to contract	Rs. 1,00,000
Work certified	Rs. 3,00,000
Work certified	Rs. 5,000
Depreciation on plant	10% p.a.
Material purchased	Rs. 1,66,500
Sub contract	Rs. 16,000
Material in hand	Rs. 10,000
Cash received	Rs. 2,40,000
Plant destroyed	Rs. 10,000

b) Prepare Contract Account. **8**

Material	Rs. 80,000	Uncertified work	Rs. 2,000
Plant	Rs. 15,000	Material at site	Rs. 12,000
Wages	Rs. 1,05,000	Plant at site	Rs. 7,000
Expenses	Rs. 5,000	Cash received	Rs. 1,60,000
Contract price	Rs. 3,00,000	Being 80% of work certified	

OR

c) Indian Construction Co. Ltd. have undertaken the construction of bridge over the river Yamuna for a municipal corporation. Value of contract is Rs. 12,50,000 subject to a retention of 20% until one year after the certified completion of the contract and final approval of the corporation engineers. Following are the detail as shown in the books on 30th June 2015. **16**

Labour on site	Rs. 4,05,000
Material direct to site less returns	Rs. 4,20,000
Materials from store	81,200
Hire and use of plant up keep Account	Rs. 12,100
Direct expenses	Rs. 23,000
General overhead allocated to the contract	37,100
Material in hand on 30th June 2015	6,300
Wages accured (un paid) on 30th June 2016	7,800
Direct expenses accured on 30th June 2015	1,600
Work not yet certified at cost	16,500
Amount certified by the corporation engineers	11,00,000
Cash received on account	8,80,000

Prepare :
1) Contract Account.
2) Contractee Account.
3) How the relevant items would appear in the balance-sheet.

5. Write short note.

a) Distinguish between Cost Accounting & Financial Accounting. **4**

b) Need of Reconciliation. **4**

c) Advantages of process costing. **4**

d) Features of contract costing. **4**

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