

P. Pages : 4

Time : Three Hours

**GUG/W/16/2944**

Max. Marks : 80

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

1. a) What is cost accounting ? Write a note on the scope of cost accounting ? **8**
- b) From the following particulars relating to the manufacturing of a standard product during the year 2016, you are required to prepare quotation for 20000 units. **8**

Particulars	Rs.
Raw Materials	40,000
Direct wages	24,000
Man Hours required	9,500
Man Hours Rate	Rs. 4 per hours
Office overhead	20% on work cost
Selling overhead	Rs. 1 per unit
Selling price	Rs. 10 per unit

OR

- c) The Sonam manufacturing Co. Ltd. has received an enquiry for the supply of 10,000 Steel Folding Chairs. **16**
The cost are estimated as under :

Items	Particulars
i) Raw Materials	100000 kg @ Rs. 1=00 per kg
ii) Direct wages	10000 Hours @ Rs. 4 per hours
iii) Variable overheads	Factory Rs. 2=40 per labour hour Selling and distribution Rs. 16,000
iv) Fixed overheads	Factory Rs. 6,000 selling and distribution Rs. 14,000
v) Profit	20% on selling price

Prepare a statement showing total price & per chair price.

2. a) Prepare reconciliation statement from the following details : **8**
- | | amount |
|--|--------|
| i) Loss as per cost books | 48,000 |
| ii) Office expenses our charge in F/A A/c. | 2,100 |
| iii) Factory overhead under charge in F/A/c | 1,000 |
| iv) Dividend paid but not included in cost books | 1,400 |
| v) Depreciation charged in cost book | 8,600 |
| vi) Depreciation charged in F/A/c | 6,400 |
| vii) Opening stock of Raw material over valued in cost books | 1,500 |
| viii) Donation to charitable trust | 4,300 |
| ix) Closing stock of finish goods undervalued in F/A/c | 5,200 |

- x) Cost of material due to negligence not mentioned in cost A/c 15,000
- xi) Closing stock of work-in-progress under valued in Cost A/c 14,000
- xii) Selling & distribution expenses undercharged in Cost A/c 2,500

Find out the profit or loss as per financial accounts.

- b) From the following figures prepare reconciliation statement of Arvind Co. Ltd. 8

Particular	amount
Purchase of material per machine	3,000
Direct labour per machine	1,800
Selling price per machine	8,500
Actual office on cost	96,000
Actual office on cost	86,000

Number of machine produced and sold out 80. Factory on cost 60% of labour office on cost 20% of factory cost, opening and closing stock was nil.

OR

- c) M/s Vanshree Company's during the year profit as per costing system is estimated to be Rs. 23,063. Profit & Loss A/c of the company was as under : 16

M/s Vanshree Company's Ltd.

Profit & Loss A/c for the year ended on 31st March 2014

Particulars	Amount	Particulars	Amount
To Opening Stock	2,47,179	By Sales	3,46,500
To Purchases	82,154	By Closing Stock	75,121
To Direct wages	23,133		
To Factory Exp.	20,826		
To Gross Profit c/d	48,329		
	4,21,621		4,21,621
To Adm. Expenses	9,845	By Gross Profit b/d	48329
To Selling Exp.	22,176	By Sundry Income	316
To net Profit	16,624		
	48,645		48,645

The costing record show :

- i) A stock ledger balance (closing) Rs. 78,197
- ii) Direct wages Rs. 24,867
- iii) Factory overheads - Rs. 19,714
- iv) Administrative Exp. Calculated as 3% of the sales
- v) Selling exp. are 5% on sales.
- vi) No mention of sundry income.

Prepare a reconciliation statement.

3. a) A product passes through three processes of production. The output of preceding process is transferred to the next process. 8

Following expenses were incurred during the month of Jan. 2016.

Particulars	Process A Rs.	Process B Rs.	Process C Rs.
Materials	20,000	-	-
Wages	10,000	16,000	14,000
Direct expenses	6,000	-	-

Total Indirect expenses amounted to Rs. 3,200 during the month to be apportioned on the basis of wages.

Prepare process 'A' A/c.

- b) The cost of production of process I is Rs. 25,000 process II Rs. 30,000 and process III Rs. 35,000 other information are as follows : 8

Particulars	Process I Rs.	Process II Rs.	Process III Rs.
Wages	1,000	1,200	1,400
Repairs	300	250	200
Factory Exp.	400	200	250

Prepare process accounts I & II.

OR

- c) A product passes through two processes namely "SUN" and "LIGHT". The details of production and expenditure for the month of March 2016 are as given below. 16
- Prepare processes accounts :

Particulars	Processes	
	SUN	LIGHT
Materials Introduced	4000 units	150 units
per unit cost of materials	Rs= 5.00	Rs. 4=50
Wages	Rs. 15,800	Rs. 12,750
Other Expenses	Rs. 6,160	Rs. 9,900
Normal loss	3% of Input	2% of Input
By Product	7% of input	8% of input
Selling price per unit by product	Rs. 2=00	Rs. 5=00
Actual production	3,450 units	3,400 units

Find out per unit cost also.

4. a) Prepare Contract No. 358 account from the following information. The contract is completed during the year. 8

Particulars	Rs.
Paid of materials purchased	39,000
Wages paid	42,000
Creditors for materials	2,000
Unpaid wages	3,000
Administrative overhead at 10% of contract price	-
Unused materials sent to godown	2,500
Contract price	1,20,000

- b) Mr. "Lovely Kumar" undertook a contract for construction of a college canteen building. Materials purchased Rs. 50,000 materials supplied from stores Rs. 10,000. Materials returned to stores Rs. 1,000. Materials costing Rs. 2,000 was stolen and materials worth Rs. 200 was destroyed by fire. Materials costing Rs. 1,000 were sold for Rs. 800 another materials costing Rs. 2000 were sold for Rs. 2,200 materials worth Rs. 20,000 were received from hospital contract which was completed materials in hand Rs. 10,000. Materials of Rs. 700 transferred to other contract.
Prepare "College Canteen Building" Account to show the above particulars.

OR

- c) A contractor started work on a contract on 15 July 2014 to construct a building of 5000 sq.ft. @ Rs. 250 per square foot. As per the terms of the contract the contractee was to remain Rs. 30 per square foot. While paying the remuneration for the completed and certified work.
He incurred the following information on the contract during the period up to 31st March 2015.

Particulars	Rs.
Work was completed (31 st March 2015)	4000 (square foot)
Work certified	3,600 (sq. foot)
Uncertified work value	82,000
Materials :	
Cement	1,18,000
Brick	60,000
Sand	10,000
Wood	80,000
Steel	1,10,000
Concrete mixers purchased for contract	80,000
Labours :	
Mason	2,20,000
Coolies	1,35,000
Carpenter	40,000
Supervision	15,000
Total Administrative Exp. (of which 1/5 are to be this cont.)	35,000

Following extra information is supplied.

- Materials at site on 31-3-2015 was at Rs. 26,000
 - The mixer were valued at Rs. 55,000 on 31-3-2015
 - Broken bricks were sold for Rs. 10,000
 - Empty cement bags were sold for Rs. 5,000
 - Steel at hand was valued at Rs. 11,000 on 31-3-2015
- Prepare contract A/c and show the profit to be transferred to P & L A/c.

5. Write short note : 16

- Elements of cost.
- Necessity of preparation of reconciliation statement.
- Normal loss and abnormal loss.
- Difference between 'work certified' and 'work uncertified'.
