SYBAF - Cost A/c-(10)

Duration: 2 ½ hours **Marks: 75**

Q.1.A. Multiple Choice: (Any 8) **(CO-1,2,3,4- U)** **(8M)**

1.Variable cost is also known as
a) Product cost b) Indirect cost c) Manufacturing cost d) Fixed cost

2.____is a person for whom contract job is undertaken
a) Contractee b) Contractor c) Sub Contractor d) Job worker

3.In Contract Costing, Payment of cash to the Contractor is made on the basis of ____
a) Uncertified work b) Work in progress c) Certified work d) Retention money

4.In Reconciliation statement, expenses shown only in financial accounts are
a) Added to financial account b) deducted from financial profit
c) Deducted to cost account d) added to costing profit

5. In Reconciliation statement, closing stock overvalued in financial accounts is
a) Added to financial account b) deducted from financial profit
c) deducted to cost account d) added to costing profit

6.The work done & certified by the architect is
a) Work completed b) Work uncertified c) Work certified d) Contract price

7.Normal loss is
a) Controllable b) Non-controllable c) Ascertainable d) Non-Ascertainable

8.Abnormal loss is calculated by
a) Normal output – Actual output b) Actual output – Normal output
c)Input – Normal output d) Input – Actual output

9.Drawing office salaries is a
a) Factory overheads b) Office overheads c) Selling overheads d) Distribution overheads

10.The total of all direct expenses is known as
a) Total cost b) Overhead c) Prime cost d) Work cost

Q.1.B. State whether the following statement are True or False: **(Any 7) (CO-1,2,3,4- U)** **(7M)**

1. In process costing, abnormal gain in not valued at process cost per unit.
2. Goodwill written off appears only in cost accounts.
3. Interest is shown in the cost sheet.
4. Weight loss has no scrap value.
5.Dividend paid is costing income.
6.Work certified is always measured at selling price.
7.Cost of production = Factory overheads + Office overheads
8.Abnormal Gain Debited to process s
9.Process account is credited by scrap value of Normal Loss.
10.Work certified is a part of work in progress.

Q.2. From the books of accounts of M/s Arjun Enterprises, the following details have been extracted for the quarter ending 31st December 2023. **(CO-1, AAE)** **(15M)**

Particular	Amount
Stock of Material -Opening	2,70,000
Stock of Material -Closing	3,00,000
Purchase of Materials	12,48,000
Direct Wages	3,57,600
Direct Expenses	1,20,000
Indirect Wages	24,000
Salaries to Administrative Staff	60,000
Carriage Inwards	48,000
Carriage Outward	37,500
Manager's Salary	72,000
General Charges	37,200

Commission on Sales	28,000
Fuel	96,000
Electricity charges (Factory)	72,000
Directors Fees	36,000
Repairs to Plant and Machinery	63,000
Rent, Rates and Taxes-Factory	18,000
Rent, Rates and Taxes-Office	9,600
Depreciation on plant and machinery	45,000
Depreciation on furniture	3,600
Salesmen's Salaries	50,000
Audit fees	18,000

Additional Information:

1.The Manager's time is shared between the factory and the office in the ratio of 20:80
2.Carriage outward includes Rs.7,500 being carriage inwards on plant and Machinery.
3.Selling price is 120% of the cost price.

From the details prepare cost sheet for the quarter ending 31st December,2023 and ascertain sales.

OR

Q.2. Following details are furnished by Bhushan Kumar ltd. of expenses incurred during the year ended 31st March 2023.

Particulars	Amt (Rs)
Direct Wages	1,10,000
Purchase of Raw Materials	2,40,000
Factory Rent	35,000
Cost of Catalogues	17,100
Sundry Expenses	18,500
Depreciation on Plant and Machinery	19,000
Opening Stock of Raw Materials	25,000
Repairs to office Furniture	12,500
Carriage Outwards	25,560
Interest on Loans	12,700
Closing Stock of Raw Materials	15,000
Distribution of Free Samples	13,775
Audit Fees	11,500
Demonstration Expenses	13,300
Furniture Loss by Fire	8,000
Indirect Materials	26,000
Office Salaries	27,500
Store Keeper's Salary	9,000
Depreciation on office Equipment	10,000
Commission of Sales	15,675
Direct Expenses	90,000
Material Handling Charges	11,000
Machinery Purchased	1,40,000

Other Information:

1. Stock of finished goods at the end 500 unites to be valued at cost of production.
2. Number of units sold during the year were 9500.
3. Profit desired on Sales is 20%.

Prepare Cost Sheet Showing the various elements of cost both in total and per unit and also find out the total profit and per unit profit. **(CO-1, AAE) (15M)**

—. A Construction company has undertaken to construct a small bridge. The following particular relate to …is bridge for the year ended 31st December, 2023.

Particular	Amount
Materials:	
Direct Purchases	1,00,000
Issued From Stores	25,000
Wages	80,000
General Plant use:	
Written Down Value	1,00,000
Depreciation	10,000
Direct Expenses	6,000
Share of General Overheads	3,000
Material on hand at 31st December,2023	4,000
Material lost by Fire	2,000
Salvage Value thereof	200
Wage accrued due at 31st December,2023	5,000
Value of Work Certified	3,00,000
Cost of Uncertified Work	6,000

The value of the contract is Rs.5,00,000 and it is the practice of the contractee, as per term of the contract, to retain 10% of the work certified.

From the above particular prepare the contract account. **(CO-3, AAE) (15M)**

OR

Q.3. The Net Profit of Laxman Engineering Co. appeared as Rs.1,28,755 as per financial record for the year ended 31st December, 2023. The cost book, however showed a net profit of Rs.1,72,400 for same period. Scrutiny of figures from both the sets of accounts revealed the following facts.

Particular	Amount
Work overheads under recovered in cost.	3,120
Administrative overheads recovered in excess.	1,700
Depreciation recovered in cost.	12,500
Depreciation charged in Financial Accounts	11,200
Interest on Investment not included in cost.	8,000
Loss due to obsolescence in financial accounts	5,700
Income Tax provided in financial account	40,300
Bank Interest and Transfer Fees (Financial Books)	750
Stores Adjustment (Credit in Financial Books)	475
Loss due to Depreciation in stock Values (Charged in financial accounts)	6,750

You are required to reconciliation statement to reconcile both the profit. **(CO-2, AAE)** **(15M)**

Q.4. M/s Tanu Enterprises ltd. Provides you the following data for the month of January,2023, about process A, B and C

Particular	Process-A	Process-B	Process-C
Basic Raw Material Introduce	18,000 Units	3,156 Units	3,450 Units
Cost of basic raw material per unit	Rs,5	Rs.6	Rs.7
Labour Charges	Rs.52,000	36,000	30,000
Factory Overhead	Rs.30,440	Rs.14,874	15,660
Normal loss (% on Total number of unit input)	6%	5%	4%
Scrap Value per unit	Rs.3	Rs.4	Rs.5
Output sold at the end of process	30%	40%	100%
Output Transferred to next process	70%	60%	-
Selling price per unit of the output sold at	Rs 13.5	Rs 17.5	Rs 18.5

are required to prepare process A, B and C Account indicating clearly profit or loss in each process and sting profit and loss account. **(CO-4, AAE) (15M)**

OR

Q.4. Product X is obtained after it is processed through three distinct processes. The following information is available for the month of March 2023.

Particulars	Total	Process A	Process B	Process C
Material Consumed	22,500	10,400	8,000	4,100
Direct Labour	29,320	9,000	14,720	5,600
Production Overheads	29,320	-	-	-

2000 units at Rs 4 per Unit were introduced in process A . Production overheads to be distributed as 100% on direct labour. The actual output and normal loss of he respective processes are:

Processes	Output	Normal loss on Inputs	Value of Scrap per Unit
Process A	1,800 Units	10%	Rs.2
Process B	1,360 Units	20%	Rs.4
Process C	1,080 Units	25%	Rs.5

There is no stock or work in progress in any process. You are required to prepare Process Account. **(CO-4, AAE) (15M)**

Q.5.A. Explain meaning and utility of cost sheet. **(CO-2, UA)** **(8M)**
Q.5.B. Explain need for reconciliation between cost a/Cand financial A/c **(CO-2, UA) (7M)**

OR

Q.5. Write short note: **(Any Three)** **(CO-1,2,3,4- UA)** **(15M)**

a. Classification of Cost
b. Distinguish Between Normal loss and Abnormal loss
c. Advantage of contract costing
d. Distinguish between Job costing and Process costing

****