

Particular	Amount	Particular	Amount
To Material consumed	3,75,000	By Sales (15000 units)	15,00,000
To Direct expenses	2,25,000		
To Factory overheads	3,00,000		
To Gross profit c/d	6,00,000		
	15,00,00		15,00,000
To Office Rent	90,000	By Gross profit b/d	6,00,000
To General expenses	75,000	By Dividend Received	13,500
To Management expenses	60,000	By Interest on investment	6,500
To Goodwill w/off	22,500		
To Advertisement	1,31,250		
To Salesmen commission	1,50,000		
To interest on loan	14,500		
To Net profit c/d	76,750		
	6,20,000		6,20,000

For the year ending 31st March, 2019 following have been made:

- Production and sales units will be doubled
- Direct wages per unit will increase by 40%
- Direct material cost per unit will be rise by 20%
- Of the factory overheads, Rs.1,50,000 are fixed and would remain at the same level but variable there of would be in same proportion to direct wages as in 2017-18
- Total office and administrative overheads would increase by 40%.
- Selling and Distribution overhead per unit will increase by 20%
- Selling price per unit would rise by 10%.

You are required to prepare:

- Cost sheet for the year ended 31st March 2018.**
- Projected cost sheet for the year ending 31st March, 2019.**

15M

OR

Q.2. Following details are furnished by Jack Ltd. of expenses incurred during the year ended 31st March 2019.

Particular	Amount
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 machinery	19,000
Opening stock of Raw material	25,000
Repairs to office furniture	12,500
Carriage outwards	25,650
Interest on loans	12,700
Closing stock of raw material	15,000
Distribution of free samples	13,775
Audit fees	11,500
Demonstration expenses	13300
Furniture loss by fire	8,000
Indirect materials	26,000
Office salaries	27,500
Store keepers salary	9,000
Depreciation on office equipments	10,000
Commission of sales	15,675
Direct expenses	90,000
Material Handling charges	11,000
Machinery Purchased	1,40,000

Other information:

- a) Stock of finished goods at the end 500 units to be valued at cost of production
- b) Number of units sold during the year were 9500 units.
- c) Profit desired on sales is 20%

Prepare cost sheet showing the various element of cost both in total and per unit and also find the total profit and per unit profit. 15M

Q.3. The product of a company passes through three different processes A, B and C. It is ascertained from the past experience that normal loss in each process is A: 2% B: 5% C: 10%. The loss each process has a scrap value. Realized value of scrap of each process is as under: Process-Rs.1 per unit Process B- Rs.1 per unit and process C-Rs. Rs.4 per unit. The company gives you the following information for the month of January 2018:

2000 units of chemical materials were introducing in process A at cost of Rs.8 per unit. Besides this the following were other expenses.

Particular	Process A	Process B	Process C
Material consumed	8,000	3000	2000
Direct wages	12,000	8000	6000
Work expenses	2000	1000	3000
Actual out put	1950 units	1925 units	1590 units
Stock of finished goods			
On January 1 st	200 units	300 units	500 units
On January 31 st	150 units	400 units	---
Valuation of January 1 st	Rs.19	Rs.27	Rs.36.5

Finished stock on 31st January is to be valued at cost as shown by month product accounts.

Prepare the process accounts. 15M

OR

Q.3. A Product of a manufacturing concern passes through two processes viz. A and B then to finished stock. The following figures have been taken from its books for the year ended 31st March, 2018.

Particular	Process A	Process B
Raw material introduce in process (units)	10000	700
Cost of Raw material introduced (per unit)	Rs.125	Rs.200
Wages	Rs.2,80,000	Rs.1,00,000
Machine expenses	Rs.20,000	Rs.10,000
Direct expenses	Rs10,000	Rs.10,000
Other factory expenses	Rs.45,000	Rs.22,500
Indirect material	Rs.5,000	Rs.10,000
Normal loss in weight (% on total units introduced in each process)	5%	5%
Normal Scrap (% on total units introduced in each process)	10%	10%
Realization value of scrap (Per 10 units)	Rs.800	Rs.2,000
Output units	8,300 units	7800 units

Prepare process accounts. 15M

Q.4. M/S Singh & co. undertake contract for Rs.2,80,000 for constructing a building. The following is the information concerning the contract during the year 2019.

Particular	Amount
Material sent on site	84,786
Labour engaged on site	74,152
Plant installed at site at cost	15,000
Direct expenditure	3,201
Other charges	4,878
Material returned to stores	525
Work certified	1,95000
Value of plant as on 31 st December,2019	11,000
Cost of work not yet certified	4,500

Material at site 31 st December 2019	1,880
Wages accrued 31 st December 2019	2,400
Direct expenditure accrued 31 st December 2019	240
Cash Received from contractee	1,8000

Prepare contract account in the books of M/S Singh & co. for the year ending 31st December 2019.

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OR

Q.4. M/S Hind corporation undertook a contract for erecting a sewerage treatment plant for Bombay Municipality for a total value of Rs.24,00,000. It was estimated that the job would be completed by 31st March 2018.

You are instructed to prepare the contract account for the year ending 31st March 2018 from the following particular.

- Material Rs.3,00,000
- Wages Rs.6,00,000
- Overhead charges Rs.1,20,000
- Special plant Rs.2,00,000
- Work certified was for Rs.15,00,000 and 80% of the same was received in cash.
- Material lying on site on 31st march 2018 Rs.40,000
- Deprecation plant by 10%
- 5% of the value of material issued and 6% of the wages may be taken to have been incurred for the portion of work completed but not yet certified. Overheads are charged as a percentage of direct wages.
- Ignore depreciation of plant for use on uncertified portion of the work.
- Ascertain the amount to be transferred to profit and loss account on the basis of realized profit
- Fine of Rs.10,000 is likely to be imposed for late completion of the contract.

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Q.5.A. What are the features of process costing?

8M

Q.5.B. Distinguish between cost account and financial account.

7M

OR

Q.5. Write Short note: **(Any 3)**

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- Direct cost
- Work certified
- Advantages of process costing
- Importance of Reconciliation statements
- Retention Money.