

Seat Number :- \_\_\_\_\_

Duration: 2 ½ hours 332061123

Marks: 75

Note: All Questions are Compulsory.

Figures to the right indicate full marks.

Use of a simple calculator is allowed.

**Q.1.A. Multiple Choice: (Any 8)**

(CO-1,2,3,4- U)

(8M)

1. An opportunity cost is a
  - a) Direct expense
  - b) Indirect expense
  - c) Variable expense
  - d) Fixed expense
2. Direct Labor is an element of:
  - a) Prime cost
  - b) Conversion cost
  - c) Total production cost
  - d) Sunk cost
3. Prime cost + Factory overhead cost is:
  - a) Conversion cost.
  - b) Production cost.
  - c) Total cost.
  - d) Work Cost
4. 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
5. Material supplied to site is debited to
  - a) Contract a/c
  - b) Contractor's a/c
  - c) Contractee a/c
  - d) Material Control a/c
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. Balance on Abnormal Loss is transferred to
  - a) Costing Profit and Loss A/c
  - b) Financial Profit and Loss A/c
  - c) Contractor's A/c
  - d) Contractee Account
10. In Reconciliation statement, depreciation undercharged in financial accounts is
  - a) Added to financial account
  - b) deducted from financial profit
  - c) deducted to cost account
  - d) added to costing profit

**Q.2.B. State whether the following statements are True or False: (Any 7)**

(CO-1,2,3,4- U) (7M)

1. Fixed cost remains fixed irrespective of level of output.
2. Dividend paid is costing income.
3. Work certification is always measured at selling price.
4. Cost of production = Factory overheads + Office overheads
5. Abnormal Gain Debited to process s
6. Number separate accounts are maintained for each process.
7. Process account is credited by scrap value of Normal Loss.
8. Work certified is a part of work in progress.
9. Plant and Machinery is debited to contract account at cost and credited W.D.V.
10. Prime cost is indirect cost.

**Q.2.** The following in particular have been extracted from the books of M/s Miller Manufacturing company for the ended 31.3.2023.

Particular	Amount
Opening stock of raw materials	2,35,000
Closing stock of raw materials	2,50,000
Raw material purchases	10,40,000
Drawing office salaries	48,000
Royalty on production	70,000
Carriage inwards	41,000
Cash discount allowed	17,000

Repairs to plant & machinery	53,000
Rent, Rates & Taxes (Factory)	15,000
Rent, Rates & Taxes (Office)	8,000
Office Conveyance	15,500
Salesmen's Salaries & Commission	42,000
Productive wages	7,00,000
Depreciation on plant & machinery	35,500
Depreciation on office furniture	3,000
Directors' fees	30,000
Gas and water charges (Factory)	7,500
Gas and water charges (Factory)	1,500
Manager's Salaries	60,000
Cost of catalogues printing	10,000
Loose tools written off	8,000
Trade- fairs expenses	10,000

Out of 48 hours in a week, Manager devotes 40 hours to the factory, 8 hours for office per week for the whole year. The management has fixed the selling price 110% of cost.

Prepare a detailed cost statement for the year ended 31.3.2023.

(CO-1, AAE) (15M)

OR

Q.2. Following details are furnished by Bhushan Kumar ltd. of expenses incurred during the year ended 31<sup>st</sup> 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 units to be valued at cost of production.
2. Number of units sold during the year was 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)

**Q.3.** A product passes through three processes A, B, and C. Basic Input material was 10,000 units @ Rs. 1/- introduced in process A.

The normal wastage of each process is as follows: Process A-3%, Process B-5% and Process-8%. Wastage of Process A was sold at 25 paise per unit, that of process B at 50 paise per unit and that of process C at Rs.1 per unit.

Particular	Process A	Process B	Process C
Sundry Material	1,000	1,500	500
Labour	5,000	8,000	6,500
Direct Expenses	1050	1,188	2,009
Actual output (Units)	9,500 units	9,100 Units	8,100 Units

Prepare the process accounts.

(CO-4, AAE) (15M)

**OR**

**Q.3.** M/s Shruti Enterprises Ltd. Provides you the following data for the month of January,2023, about process I, Process II and Process III

Particular	Process-I	Process-II	Process-III
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 the end process	Rs.13.5	Rs.17.5	Rs.18.5

You are required to prepare process I, Process II and Process III accounts indicating clearly profit or loss in each process and costing profit and loss account.

(CO-4, AAE) (15M)

**Q.4.** M/s Manholes and Sewers Ltd. Undertook a contract for erecting a sewerage treatment plant for Municipality for a total value of Rs.24 lakh. It was expected that the contract would be completed by 31<sup>st</sup> January,2023.

(CO-3, AAE) (15M)

1. Wages Rs.6,00,000
2. Special plant Rs.2,00,000
3. Materials Rs.3,00,000
4. Overheads Rs.1,20,000
5. Depreciation @10% to be provided on the plant.
6. Materials lying at site on 31<sup>st</sup> January,2023 Rs.40,000
7. Work certified was to the extent of Rs.16,00,000 and 80% of the same was received in cash.
8. 5% of the value of materials issued and 6% of wages may be taken to have been incurred for the portion of work completed but not yet certified.
9. Overheads are charged as percentage of direct wages
10. Ignore depreciation on plant for use on uncertified portions of the work.
11. Ascertain the amount to be transferred to a profit and loss account on the basis of realized profit.

**OR**

**Q.4.** The Profit as per cost account is Rs.84,350. The following figures are found out on comparing accounts books with financial accounts books of Profit Rs.81,250.

Particular	Cost Account	Financial Account
a) Opening Stock-Materials	15,800	16,300
b) Opening Stock-Work in Progress	9,000	10,000
c) Closing Stock -- Materials	16,000	15,000
d) Closing Stock-Work in Progress	9,000	8,000

**Additional Information:**

1. Dividend and Interest Received Rs.500
2. Loss on sale of Motor car Rs.600
3. Rs.2,000 interest charged not considered in financial accounts
4. Goodwill Rs.5,000 has been written off during the year.
5. Overheads incurred Rs.56,500 but overheads recovered amounted to Rs.60,000.

Prepare a reconciliation statement, reconcile cost profit with financial profit. **(CO-2, AAE) (15M)**

**Q.5.A.** Explain term Normal loss, Abnormal loss and Abnormal Gain and its accounting treatment in process account. **(CO-4, UA) (8M)**

**Q.5.B.** Explain important terms in contract costing. **(CO-3, UA) (8M)**

**OR**

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

- a. Reason for difference between cost and financial accounts
- b. Distinguish between Work certified and work uncertified
- c. Distinguish between Job costing and Process costing
- d. Distinguish between Variable cost and Fixed cost

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