

Duration: - 3 Hours

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Marks:-100

Note: - A) All the questions are compulsory.

B) Each question carries equal marks.

Q.1 (a): Multiple choice question (any 8) (CO1,CO2,CO3,CO4 - R&U) (8)

1. In cost accounting CPU stands for

- (a) Cost per unit
- (b) Cost profit unit
- (c) Central processing unit
- (d) Control per unit

2. Sales 1,20,000, profit 20% on cost. Cost of sales are

- (a) ₹20,000
- (b) 96,000
- (c) ₹90,000
- (d) 1,00,000

3. The aggregate of _____ costs is termed as overheads.

- (a) Direct
- (b) Indirect
- (c) Total
- (d) Cash

4. Which of the following items is not included in preparation of a cost sheet?

- (a) Carriage Inward
- (b) Carriage Outward
- (c) Interest
- (d) Rent paid

5. In contract costing payment of cash to the contractor is made on the basis of

- (a) Retention money
- (b) Certified work
- (c) Work in progress
- (d) Uncertified work

6. Notional Profit is equal to

- (a) Work certified less cost of work certified
- (b) Work certified less cost of work completed
- (c) Payment received less work
- (d) None of the above

7. Input is 950 units, normal loss is 10%, output is 840 units, abnormal loss is

- (a) 20 units
- (b) 25 units
- (c) 15 units
- (d) 30 units

8. Interest paid on debentures is

- (a) debited to Costing Profit and Loss A/c
- (b) credited to Costing Profit and Loss A/c
- (c) debited to Financial Profit and Loss A/c
- (d) credited to Financial Profit and Loss A/c

9. Process costing is applicable to

- (a) Paper Industry (b) Transport Company
(c) Printing Press (d) Repairs Works

10. The realisable value of Normal loss is credited to

- (a) Normal Loss A/c (b) Process A/c
(c) Abnormal A/c (d) None of the above

Q.1 (b): State whether the following statements are True or False (any 7)
(CO1,CO2,CO3,CO4 - R&U) (7)

1. A cost sheet and income statement is one and the same.
2. Cost of Production = Factory Overheads + Office Overheads
3. Goodwill written off appears only in cost accounts.
4. The cost of material lost or destroyed is debited to the Contract Account.
5. Weight Loss has no scrap value.
6. Contractee is a person who takes the contract.
7. Cash received on contract is credited to Contractee Account.
8. Drawing office salaries is Office overheads.
9. A by-product has nominal sales value.
10. Process costing is ordinarily applied where all the operations are performed in one department.

Q.2) The following particulars have been extracted from the books of M/s. Sohan Manufacturing Company for the year ended 31-03-2014: (CO1-AP) (15)

Particulars	Amount
Opening Stock of Raw Materials	4,70,000
Closing Stock of Raw Materials	5,00,000
Raw Materials Purchase	20,80,000
Drawing Office Salaries	96,000
Royalty on Production	1,40,000
Carriage Inwards	82,000
Cash Discount Allowed	34,000
Repairs to Plant & Machinery	1,06,000
Rent, Rates & Taxes (Factory)	30,000
Rent, Rates & Taxes (Office)	16,000
Office Conveyance	31,000
Salesmen's Salaries & Commission	84,000
Productive Wages	14,00,000

Depreciation on Plant & Machinery	71,000
Depreciation on Office Furniture	6,000
Directors Fees	60,000
Gas and Water Charges (Factory)	15,000
Gas and Water Charges (Office)	3,000
Manger's Salaries	1,20,000
Cost of Catalogues Printing	20,000
Loose Tools Written off	16,000
Trade-Fair Expenses	20,000

Out of 48 hours in a week, Manager devotes 40 hours for factory and 8 hours for office per week for the whole year.

The Management has fixed the selling Price 110% of cost.

Prepare detailed cost statement for the year ended 31-03-2014

OR

Q.2) The following information is available from Cost and Financial Accounts in respect of Progressive Co. Ltd. for the year ended 31st December, 2013. You are required to prepare a statement reconciling the profit or loss from the same. The following items are shown in Financial Accounts but not in Cost Accounts. (CO2-AP) (15)

Particulars	Amount
Loss due to obsolescence of assets	3,700
Provision for income-tax	38,000
Reduction in value of stock	6,000
Debenture interest	4,000
Loss by fire	1,050
Interest on investments	6,000
Bank interest and transfer fees	1,225
Rent received of staff quarters	2,000

The additional information is as follows:

- In Cost Accounts, works overheads are estimated at 26,000, while in Financial Accounts they are charged at 29,120.
- In Cost Accounts, administration overheads are estimated at 20,000, while in financial accounts they are debited at 18,300.
- In Cost Accounts, excess charge for depreciation is 1,300 compared to Financial Accounts.
- Profit as shown by Financial Accounts does not agree with the profit shown by Cost Accounts. Profit as per Cost Accounts is 1,72,400.

Q.3) Product A is manufactured after it passes through three distinct processes. The following information is obtained from the records of a company for the year ended 31st december, 2013 (CO4-AP) (15)

Particular	Process I	Process II	Process III
Direct Material	2,500	2,000	3,000
Direct Wages	2,000	3,000	4,000

Product overheads are 9,000, 1000 units at 5 each were introduced to Process I. There was no stock of materials or work in progress at the beginning and at the end of the year. The output of each process passes direct to the next process and finally to the Finished Stock Alc. Production overheads are recovered on 100% of direct wages. The following additional data is available:

Particular	Output	Normal loss	Scrap per unit
Process I	950	5%	3
Process II	840	10%	5
Process III	750	15%	5

Prepare Process Cost Accounts and Abnormal Gain or Loss Accounts for the year ended 31st December, 2013

OR

Q.3) Product X is obtained after it is processed through three distinct processes. The following information is available for the month of March, 2014: (CO4-AP) (15)

Particular	Total	A	B	C
Material Consumed	22,500	10,400	8,000	4,100
Direct Labour	29,320	9,000	14,720	5600
Production Overheads	29,320	-	-	-

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2,000 units at 4 per unit were introduced in Process A. Production overheads to be distributed 100% on direct labour. The actual output and normal loss of the respective processes are:

Process	Output in units	Normal loss on input	Value of scrap per unit
Process A	1,800	10%	2
Process B	1,360	20%	4
Process C	1,080	25%	5

There is no stock or work-in-progress in any process. You are required to prepare process Account.

OR

Q.4) Mr. Behram Contractor has undertaken two contracts one at Mumbai and another at Thane. The details of the contracts are given below for the year ended 31st March, 2014:

(CO3-AP) (15)

Particular	Mumbai	Thane
Date of Commencement	1st July 2013	1st Oct 2013
Contract Price	10,00,000	15,00,000
Direct Labour	2,55,000	1,82,000
Material issued from stores	2,20,000	2,00,000
Material issued from stores	10,000	15,000
Plant installed at site	2,00,000	3,50,000
Direct Expenses	40,000	30,000
Office Overheads	15,000	10,000
Material sold (cost 8,000)	10,000	_____
Material at site	18,000	16,000
Cash received from contractee (representing 80% of work certified)	4,80,000	2,40,000

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Work uncertified	13,000	9,000
Architects Fees	7,000	3,000

(i) Provide depreciation on plant at 20% p.a.

(ii) During the year materials costing 10,000 were transferred from Thane contract to Mumbai contract.

You are required to prepare contract A/c of Mumbai and Thane contracts.

OR

Q.4) Reliance Construction Ltd. entered into a contract to construct a bungalow. The contract value is 19,50,000 to be realised in installment on the basis of the value of work certified by the architect subject to a retention of 10%. The work commenced on 1-4-2013 but it remained incomplete on 31-12-2013. The facts and figures of the contract are:

(CO3-AP) (15)

Plant charged to contract at the commencement	96,000
Material charged to contract	5,40,000
Wages paid	2,61,000
Expenses incurred on the contract	1,16,250

Total establishment expenses amounted to ₹ 1,23,000 out of which 25% is attributable to this contract. Out of the materials issued to the contract, material costing 12,000 was sold for 15,000. A part of the plant costing 6,000 was damaged on 1-10-2013 and the scrap realised 900 only.

Plant costing 9,000 was transferred to another contract site on 31-12-2013.

Plant is to depreciated 10% p.a.

Material in hand on 31-12-2013	52,500
Cash received from contractee	9,18,000
Cost of work yet to be certified	90,000

Prepare contract account showing therein the amount of profit or loss to be transferred to profit and loss account.

Q.5) A. What is indirect cost explain with example.

(Co1-R&U) (8)

B. Importance of reconciliation statement.

(Co2-R&U) (7)

OR

C. Write a short note on (Any 3) (CO1,CO2,CO3,CO4 - R&U)

(15)

1. Direct cost
2. Work certified
3. Advantages of process costing
4. Normal loss
5. Retention money