

Paper / Subject Code: 23107 / Financial Accounting and Auditing VIII - Cost Accounting

3. Direct wages per unit will increase by 40%.
4. Of the factory overheads Rs 1,50,000 are Fixed and would remain same. And variable Overhead Per unit would also remain same as in 2020-21
5. Total office and administrative overheads would be Rs. 2,80,000
6. Selling and Distribution overheads per unit will remain same.
7. Selling price per unit would rise by 10%.

You are required to prepare:

- 1) Cost Sheet for the year ended 31st March 2021 showing cost per unit and total cost and
- 2) Estimated cost sheet for the year ending 31st March 2022 showing cost per unit and total cost.

Q.3 The company has Three production departments X, Y and Z and Two service departments S-1 and S-2. **(20 Marks)**

The following estimates of expenses are available.

Particulars:	Rs.
Staff Canteen Expenses	5,40,000
Insurance on Machinery	7,68,000
Insurance on Buildings	7,04,000
Staff Welfare Expenses	10,80,000
Power	5,28,000
Rent and Rates	2,56,000
Depreciation on Machinery	7,20,000
Building Repairs	1,65,000
General expenses(proportionate to direct Wages)	5,00,000

Other technical details about departments are as under:

Particulars	X	Y	Z	S-1	S-2
Floor Space ('000 sq. ft.)	10	20	30	10	10
Number of Workers	10	15	15	5	5
H.P. of Machine	30	20	25	15	10
Cost of Machine (Rs. in Lakhs)	5	2	1	1	1
Direct Wages (Rs In '000)	20	25	25	15	15

Show Primary Distribution of Overhead Expenses.

OR

Q.3 (a) A worker produced 200 units in a week's time. **(10 Marks)**

Working Hours in a week are 45

The guaranteed weekly wage payment is Rs.81.

The expected time to produce one unit is 18 minutes

What will be the earnings of that worker under Halsey (50% sharing) premium plan and Rowan bonus schemes?

Q.3 (b) A machine costs Rs.12,00,000 and is deemed to have a scrap value of 10% at the end of its effective life (12 years). **(10 Marks)**
 Ordinarily the machine is expected to run for 1,800 hours per year, but it is estimated that 200 hours of the time will be lost for normal repairs and maintenance. Other details in respect of machine shop are as under:

Details	Rs.
Annual wages, bonus, and provident fund contribution of operators for the Shop	1,60,000
Rent of shop per year	1,20,000
General lighting of the shop per month	6,000
Insurance premium for one machine per annum	28,000
Shop Supervisor's monthly remuneration	15,000
Cost of repairs and maintenance per machine	24,000
Power consumption of one machine per hour 10units @ Rs. 5 per unit	

There are Two identical machines in the shop.
 Compute the machine hour rate from the above details.

Q.4 (a) The Net Profit of Satish Limited for the year ended 31st March 2022 as per financial Records was Rs 5,00,000. **(10 marks)**
 A scrutiny of the figures of the financial accounts and the cost accounts revealed the following facts.

Sr. No	Particulars	Rs
1	Administrative overheads under recovered in cost accounts	14,000
2	Over recovery of depreciation in financial accounts	30,000
3	Loss due to fire as per financial accounts	20,000
4	Abnormal wages charged in financial accounts	1,00,000
5	Income Tax provision as per financial records	2,00,000
6	Loss due to depreciation in stock values charged in financial records	40,000
7	Factory overheads over recovered in cost accounts	30,000
8	Interest on Investment credited in financial account	20,000
9	Bank interest credited to financial accounts	5,000

Prepare a Reconciliation statement and find out the profit or loss as per cost records.

Q.4(b) from the following particulars, prepare stock record by FIFO Method **(10 Marks)**

Date	Transaction	Units	Rate Rs
4-1-2014	Purchase	40	30
17-1-2014	Purchase	60	28
20-1-2014	Sale	50	35

22-1-2014	Purchase	80	29
25-1-2014	Sale	80	33
28-1-2014	Sale	20	34
30-1-2014	Purchase	100	26
31-1-2014	Sale	90	35
The stock on hand on 1st January 2014 was 50 units @ Rs. 25 each.			

OR

Q.4 Calculate the earnings of Workers A, B and C for the particular month. Also Calculate Labour Cost of Worker A, B, C and allocate the labour cost to each Job

(20 marks)

Sr. No	Particulars	A	B	C
1	Basic Wages (Rs.)	200	300	400
2	Dearness Allowance	50%	50%	50%
Contribution to provident fund Of the Employer as well as that of the employee (8% of Basic and D.A.)				
Contribution to ESI Of the Employer as well as that of the employee (2% of Basic and D.A.)				
The three workers were employed on jobs X, Y, and Z in the following proportions				
Sr. No	Particulars	Job X	Job Y	Job Z
1	Worker A	20%	30%	50%
2	Worker B	40%	20%	40%
3	Worker C	60%	10%	30%

Q5 A. Distinguish between Financial Accounting and Cost Accounting? (10 Marks)

Q5 B. State the features of Halsey and Rowan method of payment of remuneration?

(10 Marks)

OR

Q5 Write Short Notes (Any Four out of Six)

(20 Marks)

- 1) Causes of Labour Turnover
- 2) Material Turnover Ratio
- 3) Gantt Task Bonus Plan
- 4) Direct Cost
- 5) Selling and Distribution Overhead
- 6) Allocation Of Overhead and Apportionment of Overhead
