

cost Accounting.

TENDON

Time : 2 hrs

Marks : 60

Attempt all questions.

- Q.1** Bharat chemicals Ltd. manufacture and sell their chemicals produced by consecutive process. The products of these process are dealt with as under :-

	Process - 1	Process - 2	Process-3
Transferred to next process	$66\frac{2}{3}\%$	60%	—
Transferred to warehouse for sale	$33\frac{1}{3}\%$	40%	100%

In each process 4 % of the weight put in is lost and 6% is scrap which from process 1, realised Rs. 3 per ton, from process 2 Rs.5 per ton and from process 3 Rs. 6 per ton.

The following particulars relate to January, 2005 :-

	Process-1	Process-2	Process-3
Raw materials used in tons	1400	160	1260
Rate per ton (Rs.)	10	16	7
Wages and other expenses(Rs.)	5152	3140	2989

Prepare process accounts showing cost per ton at each process.

- Q.2** The following data have been extracted from the books of sunshine Industries Ltd. for the year 2005 :-

	Rs.
Opening stock of raw materials	25,000
Purchase of raw material	85,000
Closing stock of material	40,000
Carriage inward	5,000
Direct wages	75,000
Indirect wages	10,000
Other direct charges	15,000
factory rent and rates	5,000
Office rent and rates	500
Indirect consumption of material	500
Depreciation - Plant & machinery	1500
Office furniture	100
Salary- Office	2500
Salary-Salesman	2000
Other factory expenses	5700
Other office expenses	900
Managers remuneration	12,000
Bad debts written off	1,000
Advertisement expenses	2,000
Travelling expenses of salesmen	1,100
Carriage outward	1,000
Sales	2,50,000

The manager has the overall charge of the company and his remuneration is to be

Q.2 Explain different method of classification of cost.

Q.3 On 15th August 2005, the Hero cycle manufacturing Co. was required to Quote for a contract for the supply of 500 bicycles. From the following details, prepare a statement showing the price to be Quoted so as to maintain the same percentage of net profit on sales as was realised during the six months till 30th June, 2005.

	Rs.
Stock of materials on 1.1.05	50,000
Stock of material on 30.6.05	7,000
Purchase of materials during 6 months till 30.6.05	75,000
Direct wages for six months till 30.6.95	1,50,000
Indirect charges during 6 months till 30.6.95	25,000
Opening stock of finished goods on 1.1.05	Nil
Closing stock of finished goods on 30.6.95	50,000

The number of bicycles manufactured during the six months was 2000. The bicycles to be quoted for are to be of uniform size and quality and similar to those manufactured during the six months till 30.6.05. From 1st August, the cost of labour has increased by 10% and that of material by 15% sales during six months till 30.6.05 were Rs. 2,70,000.

Q.4 Explain in detail (any one)

- a) Uniform costing.
- b) Difference between job costing and process costing.
- c) Importance of cost sheet.
