Q.1. (a) Fill in the blanks: (Any 8) (8)

1. Profit is 20% on sales means it is ___% on total cost.

2. Works cost is Rs. 80000, factory overheads are Rs. 8000, hence prime cost= ____

3. Cost of secondary packaging is a part of ______ overheads.

4. Interest paid on loan only appears in _____ accounts.

5. Damages awarded by the court appear only in ____ accounts.

6. Advance paid + retention money = ______

7. If contract is less than ___% complete, no profit is transfer to P/L account.

8. _______cost is assignable after the split off point.

9. Common material cost + Common processing cost = ________

10. ______ is absorbed by the good units in process costing.

Q.1. (b) State whether the following statements are true of false. (Any 7) **(7)**

1. Normal loss is treated as normal cost of production.

2. The cost of units of abnormal gain is debited to the process account.

3. Joint products are produced from different materials and different processes.

4. Scrap has no sale value.

5. Income tax paid is recorded under financial accounting.

6. A contract is a small job while a job is a big contract.

7. Dividend paid is costing income.

8. Overheads include only fixed cost.

9. Closing stock of finished goods is valued at Cost of production per unit.

10. Joint products are of unequal importance.

Q.2. Kim Manufacturing Company gives you the following particulars for the year 2010. **(15)**

Production and sales during the year was 10000 units.

Particulars	Amt. (Rs.)
Materials	250000
Direct Wages	150000
Administrative overheads (fixed)	100000
Sales	1200000
Profit	250000
Factory Overheads:	
Fixed	100000
Variable	200000
Selling overheads	
Fixed	60000
Variable	90000

OP10AFR

The company has worked to its maximum capacity of 10000 units during the year 2010.

The management has decided to increase the production capacity to 15000 units for the year 2011.

It is estimated that:

1. There will be all-round rise in the variable expenditure by 10 %
2. There will be increase of 20% in all fixed overheads.
3. There will be no need to change the selling price for the year 2011.

Prepare cost sheet of 2010 and an estimated cost sheet for 2011

OR

Q.2. Following data is available from the financial accounts of a firm for the year ending 31st March 2015. **(15)**

Particulars	Amt (Rs.)
Material Consumed	520000
Direct Wages	240000
Factory Expenses	360000
Administration Expenses	500000
Selling and Distribution Expenses	960000
Bad Debts Written off	40000
Loss on sale of Investments	30000
Interest and Dividend Received	120000
Sales (120000)	1920000
Closing Stock (40000)	400000
Work In progress 31-03-2015	160000

The Following information was revealed by the cost accounts:

1. Direct Materials consumption was Rs. 570000
2. Factory Overheads were taken at 20% on Prime cost.
3. Administration expenses have been taken at Rs. 4 per unit of production.
4. Selling and Distribution Expenses were taken at Rs. 6.50 per unit sold.

Prepare: Statement of Cost and Profit and Loss account Reconciliation statement reconciling Between financial profit and costing profit.

Q.3. Daya Ltd. has undertaken 3 contracts. It furnishes the following information. **(15)**

For the year ending 31st March 2015

PARTICULARS	CONTRACT "A"	CONTRACT "B"	CONTRACT "C"
Contract Price	400000	270000	300000
Materials	64000	58000	20000
Wages	70000	58000	20000
General expenses	4000	2800	1000
Plant installed	20000	16000	12000
Materials in Hand	4000	4000	2000
Wages accrued	3400	2000	1600
General expenses accrued	600	400	200
Work certified	200000	160000	36000
Cash received	150000	120000	27000
Work finished but not certified	6000	8000	2100

The plant was installed on the contracts and depreciation is taken 10% p.a. Prepare the Contract account for 3 contracts.

OR

Q. 3. Sheena contractors undertook a contract for 30 Lakhs on 1st July 2012. The contract was **(15)**

Completed on 31st March 2014. Financial year ends on 31st March every year. The details are as follows.

Particulars	2012-13	2013-14
Materials issued	152000	330000
Direct wages	125000	465000
Direct expenses	30000	45000
Materials returned to stores	22000	15000
Material at site	20000	8000
Uncertified work	48000	-
Office overheads	23000	66000
Material lost by fire	-	5000
Work certified	300000	1500000
Plant issued	300000	150000

OP10AFR

Q.4. A product passes through 3 different processes "A", "B" and "C" to completion. **(15)**

40000 units were introduced in Process A at the cost of **Rs. 30000.**

PARTICULARS	Process A	Process B	Process C
Sundry Materials	20000	4000	20000
Direct Labour	6000	3000	1500
Direct Expenses	1920	5600	4200
Output (units)	38000	37000	34000
Opening stock	6000	3000	4000
Closing Stock	4000	5000	9500
Opening Stock per unit	Rs.1.40	Rs. 1.80	Rs.2.50
% of normal loss	4%	5%	10%
Scrap sale price per unit	Rs.0.20	RS. 0.30	Rs. 0.40

Prepare 3 process accounts and 3 Process stock accounts.

OR

Q.4. Product of a company passes through 3 different processes A, B and C. **(15)**

Normal Loss for each process is 2 % with no scrap value.

Every process has scrap of 10% which has scrap value of Rs. 100 per unit for process A and B and

Scrap value of Rs. 20 per unit for Process C.

Following are the particulars for the same.

Particulars	Process A	Process B	Process C
Passed to next process	75%	50%	-
Stock kept for sale	25%	50%	100%
Raw Materials	Rs. 120000	Rs. 28000	Rs. 107840
General expenses	Rs. 10300	Rs. 7240	Rs. 3100
Units Introduced (units)	1000	140	1348

Prepare all 3 process accounts.

Q.5.

(a) State any 7 elements of computing Cost of production. **(8)**

(b) Explain Process costing and state its advantages and disadvantages. **(7)**

OR

Q.5. Short Notes (Any 3/5) **(15)**

1. Calculation of Materials in Contract costing.
2. Normal and Abnormal loss.
3. Contract Costing.
4. Work certified and Contractee.
5. Joint Products.