SYBAF - Cost Acctg. 4/10/16. HL

L

PC010ACH

MAX MARKS: 75 **DURATION: 2.5 HOURS**

Figures to the right indicate Marks.

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

1. Closing stock of finished goods is always valued at __________ per unit.
2. Profit earned in contract costing is called as ________ profit.
3. If sales are Rs. 200000 and Profit is Rs. 75000 then cost of sale would be _______.
4. When actual output is more than expected output then there is _______ gain in process account.
5. Advance paid + _________ = Work Certified.
6. In estimated cost sheet, changes in variable cost is done on ________
7. Depreciation of office computer is an expense shown under the head of __________.
8. In cost sheet, Prime cost + all Overheads = ________
9. _____ has no sale value.
10. A _____ has minimal sales value.

Q.1. (b) True or False. (any7) **(7)**

1. Joint products are produced from same processes.
2. The physical unit method of allocation of joint costs gives equal importance and value to all the joint products.
3. Notional profit is a concept of contract costing.
4. Income tax paid is ignored in costing.
5. Contractee is a person who pays for the contract.
6. Work certified is always measured at selling price.
7. Need for Reconciliation does not arise in case of Integrated System of Accounts.
8. Dividend paid is financial expense.
9. Office overheads are fixed in nature.
10. Interest paid is ignored in cost sheet.

Q.2. Megha manufacturing Company manufactures 2 types of products A and B. **(15)**

Following is the information relating to the firm for the year ending 31st March 2014.

Particulars	**A**	**B**
Direct Material Per unit. (Rs.)	100	120
Direct Labour Per unit. (Rs.)	60	50
Direct Expenses per unit. (Rs.)	40	80

Additional Information:

1. Factory expenses are 20% of Prime cost.

2. Office expenses are charged 25% of works cost.

3. 1000 units of A were produced of which 750 units were sold. And 2500 units of B were produced out of which 2250 were sold.

4. Selling Expenses are Rs.15 per unit for product A and Rs. 20 per unit for product B.

5. Profit is 20 % on sales for both the products.

Q.2. From the following financial information of "Manan" company ltd, prepare P/L , Cost sheet to find out their profits and prepare reconciliation statement starting from financial profit. **(15)**

PARTICULARS	AMT
Sales	80000
Purchase of raw material	12000
Closing stock of material	2000
Direct wages	4000
Indirect wages	2000
Indirect factory expenses	8000
Bad debts	400
Interest on overdraft	400
Profit on sale of Assets	200
Selling Expenses	8000
Distribution expenses	4000

In cost sheet, factory overheads are recovered at 300% of Direct wages, selling Overheads are Rs. 6000 and Distribution overheads are Rs. 2800.

Q.3. "Suresh Builders" Company Ltd undertook 3 construction projects namely; Flyover, Dam, Building. **(15)**

The contracts started on 1st January, 1st July and 1st October 2014 respectively.

Year ending is 31st December of every year.

Particulars	Flyover	Dam	Building
Contract price	800000	540000	600000
Materials (Rs.)	144000	116000	40000
Wages	140000	224000	28000
General expenses	8000	5600	2000
Plant Installed	40000	32000	24000
Closing stock of materials	8000	8000	4000
Wages outstanding	6800	4000	3200
General Expenses outstanding	1200	800	400
Work Certified	400000	320000	72000
Cash Received	300000	240000	54000
Work Uncertified	12000	16000	4200

Q.3. A company undertook a contract having total area of 35000 sq.ft. **(15)**

Rate of the project is Rs. 400 per sq. ft.

Cash received is 80% of work certified. The project started on 1st January 2014 and completed on 31st march 2015. Year ending is 31st December of every year.

Following is the other information regarding the project.

Particulars	**2014**	**2015**
Material purchased	5250000	1950000
Labour	2612000	1107500
Electricity expenses	389600	196500
Closing stock of materials	20500	---
Establishment expenses	104000	70000
Architects fees	400000	250000
Plant supplied on 1.1.2014	72000	----
Sale of plant on 1.7.2014 (costing Rs. 12000)	10000	----
Special plant supplied on 1.1.2015 (scrap value Rs. 4000)	----	10000
Materials returned	----	14000
Work certified (in sq.ft)	23000	35000
Work uncertified (in sq.ft)	2000	-----

Depreciation on both plants is 20% on WDV method.

Prepare contract accounts of both the years.

Q.4. A product passes through 3 different processes, A, B and C.

Input Units in Process A- 20000 units at the rate of Rs. 5. Following is the information relating the processes.

Particulars	A	B	C
Sundry materials (Rs.)	10000	16000	12000
Direct labour (Rs.)	20000	24000	15000
Direct Expenses (Rs.)	8000	10000	14000
Actual Output (units)	17400	17100	16420
Normal Loss	10%	5%	4%
Value of Normal loss per unit (rs.)	5	6	5

Production overheads are to be considered in every process which are to be taken 60% of direct labour in every process.

1/3rd of the actual Output of Process A is sold at profit of 20% on cost. 2/3rd Output of Process B is sold at 25% profit on cost. Remaining output is transferred to next process.

Output of last process is sold for Rs. 30 per unit. Prepare 3 process accounts.

OR

Q.4. A product passes through 3 different processes A, B and C. Input Units in process A are 80000 costing Rs. 60000 **(15)**

Particulars	**A**	**B**	**C**
SundryMaterials. (Rs.)	40000	8000	40000
Direct Labour (Rs.)	12000	6000	3000
Direct expenses (Rs.)	3840	11200	8400
Actual Output (units)	76000	74000	68000
Opening stock (units)	12000	6000	8000
Closing stock (units)	8000	10000	19000
Value of opening stock (per unit)(Rs.)	1.40	1.80	2.50
% of Normal Loss	4%	5%	10%
Scrap value of normal loss per unit (Rs.)	0.20	0.30	0.40

Prepare 3 process accounts and 3 Process stock accounts.

Q.5. (a) Explain the items appearing only in cost accounts and Financial accounts. **(8)**

(b) Explain cost of production and materials consumed in cost sheet. **(7)**

OR

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

1. Materials consumed in contract costing.
2. Meaning of cost.
3. Disadvantages of process costing.
4. Special plant and machinery
5. Reasons for difference in cost accounts and financial accounts.