

- Note :**
1. All questions are compulsory & that have internal options.
 2. Figures to right indicate full marks.
 3. Working notes form part of your answer.

- Q.1** A car manufacturing company gives you that following information from which you are requested to prepare process accounts. (15)

Process details:

Particulars	Process		
	One (Rs.)	Two (Rs.)	Three (Rs.)
Materials	150000	300000	100000
Wages	40000	50000	100000
Electricity Expenses	20000	50000	50000
Cost of Tyres used	12000	20000	NIL
Indirect Expenses	10000	20000	30000
Output generated (Units)	5000	4000	3000
Normal Loss (Units)	10%	10%	5%
Scrap Value (per Unit)	100	250	300

There were 20000 units introduced in Process One @ Rs. 0.50 each.

OR

- Q.1** A chemical manufacturing company gives you the following information from which you are required to prepare Process accounts and Normal Loss account. (15)
- There were 200000 units introduced in Process "X" @ Re. 1 each. Also the selling price was equal to cost price.

Particulars	Process 'X' (Rs.)	Process 'Y' (Rs.)
Materials	75000	100000
Direct Wages	55000	80000
Indirect Expenses	95000	85000
Output generated (in units)	100000	75000
Quantity sold out of total output	20%	2/3 rd
Selling Price	15	40
Normal Loss (Units)	5%	5%
Scrap Value (Per Unit)	Rs. 2	Rs. 4

- Q.2** M/s. Mist Builders undertook a contract for Rs. 5000000 for constructing a school. The following is its information. (15)

Particulars	Rs.
Materials	900000
Labour Charges	750000
Outstanding Labour	25000
Plant : Opening Value	2000000
Closing Value	1100000
Direct expenses	34000
Outstanding Direct Expenses	24000
Materials returned to stores	50000
Work Certified	2700000
Work Uncertified	450000
Materials at site	100000
Cash received	2000000

Prepare Contract account and Show how the various figures will appear in the Balance Sheet as on 31st Dec., 2012.

OR

- Q.2** Balwan Constructions Pvt. Ltd. is engaged in the contracts 'X' and 'Y'. (15)
From their books of accounts the following information in respect of year 2012 is obtained.

Particulars	Contract 'X' (Rs.)	Contract 'Y' (Rs.)
Materials sent to site	520000	200000
Plant (Estimated Life)	3 years	5 years
Wages	500000	200000
Outstanding Wages	52000	45000
Plant (Cost Price)	315000	300000
Plant (Scrap Value)	15000	20000
Establishment Expenses	90000	30000
Plant (Period of use)	200 days	180 days
Materials returned to stores	15000	10000
Work uncertified	79000	40000
Materials at site	50000	30000
Cash received	720000	1000000
	(90% of work certified)	(85% of work certified)
Contract Price	2000000	1500000

Assumed that there are 365 days in a year. Prepare Contract Accounts.

- Q.3 A.** According to the Factory Job Cost ledger, Job No. 102 has incurred the following costs. (10)

Direct materials 2 quintals & 50 kg @ Rs. 200 per quintal

Direct Wages

Department A 18 hours @ Rs. 20 per hour

Department B - 32 hours @ Rs. 2.50 per hours

Variable OH

Department A - Rs. 54000 for 9000 direct labour hours

Department B - Rs. 75000 for 10000 direct labour hours

Fixed OH

Direct labour hours for whole factory 22000. And the cost of Fixed OH was Rs. 150000.

- Calculate :**
- Cost of Job No. 102
 - Estimate the percentage of profit obtained if the price quoted to the customer was Rs. 1598.

- Q.3 B.** The joint cost of manufacturing 2800 units of X, 3600 units of Y, 4900 units of Z is Rs. 100000. The selling price of product X, Y, Z are Rs. 2, Rs. 5 and Rs. 6 respectively. The products do not require any further processing cost after the split - off point. (5)
- Apportion the joint costs:
- On sale price basis
 - On Sale value basis

OR

- Q.3** The following details are extracted from the costing records of an Oil Mill for the year ended 31st March 2013. (15)

Particulars	Processes		
	Crushing (Rs.)	Refining (Rs.)	Finishing (Rs.)
Labour	2800	1000	1700
Electricity Expenses	700	400	200
Sundry Materials	140	2500	150
Repairs to Machinery	300	350	500
Steam Supply	650	500	NIL
Factory Expense	1400	700	200

In crushing process 5500 tonnes of coconut @ Rs. 250000 was purchased. 3200 tonnes of Crude Oil was produced, 2600 tonnes of Oil produced by refining process, 2500 tonnes of refined oil were finished for delivery.

Other Information

- Sale of coconut sacks Rs. 450
- 1900 tonnes of coconut residues were sold @ Rs. 12100
- Loss in weight in crushing, 250 tonnes
- 500 tonnes of by product obtained from refining process @ Rs. 7425.

You are required to show the accounts in respect of each of the following stages of manufacture for the purpose of arriving at the cost per tonne of each process.

- Q.4 a.** Explain the applicability of Job costing. (5)

- b. Explain the features of Process costing. (5)
- c. Explain the following concepts: (5)
 - 1. Normal Loss
 - 2. Abnormal Loss

OR

- Q.4**
- a. Write a note on Cost Audit. (7)
 - b. Following is the information relating to the manufacturer of a component 'A'. (8)

Cost of materials 15 paise per component

Operator's wages 80 paise per hour

Machine hour rate Rs. 2.00

Setting up time of the machine 2 hours and manufacturing time 20 minutes per component.

Prepare a cost sheet showing total and per unit cost when the batch consists of 200 components.



Particulars	Crushing (Rs.)	Refining (Rs.)	Remaining (Rs.)
Factory Expenses	1400	700	200
Steam Supply	650	500	Nil
Repairs to Machinery	300	350	500
Stores Materials	140	2500	180
Electricity Expenses	700	400	200
Labour	1800	1000	1700
Total	4890	4950	3200

4. 500 tonnes of my product obtained from refining process @ Rs. 1250000
 3. Loss in weight in crushing 250 tonnes
 2. 1900 tonnes of coconut residues were sold @ Rs. 12100
 1. Sales of coconut sacks Rs. 450
 Other Information
 2500 tonnes of refined oil were finished for delivery.
 3200 tonnes of Crude Oil was produced. 3600 tonnes of Oil produced by
 In crushing process 5500 tonnes of coconut @ Rs. 250000 was purchased.