SYBAF Sem III Reg & A.T.K.T. Etam oct-2022 S.Y.B.A.F SEM-III Cost Accounting

Time: 2 1/2 Hours

13/10/22

total marks: 75

N.B: 1) All questions are compulsory with internal choice

- 2) Figures at right indicates full marks for question.
- 3) Use of simple calculator is permitted.
- 4) Working notes should form part of your answer.



(7)

(8)

Q.1. (a) State whether the following statements are true or false (any seven)

- 1. Profit as per cost accounts is the same as profit as per the financial accounts.
- 2. Cash received is calculated on work certified.
- 3. Overheads include only fixed cost.
- 4. Closing stock of finish goods should be valued at cost of production.
- 5. Prime cost = direct cost.

b. Cost of sales

- 6. Goodwill written off appears only in cost accounts.
- 7. The cost of units of Abnormal loss is credited to the process account.
- 8. If contract is less than 25% complete, entire profit is credited to the profit and loss.
- 9. Process costing used in case of industries where work is done against specific order.
- 10. The cost of good units is reduced by the abnormal gain in process costing.

Q.1. (b) Select the correct alternative and rewrite the sentences (any eight) 1. Research and development cost relating to an existing product a. Shall be treated as capital expenditure. b. Shall be treated as deferred revenue expenditure. c. Shall be treated as Direct expenses. d. Shall be ignored. 2. Which of the following is not a component of Prime cost? a. Direct materials c. Direct expenses b. Direct Labour d. Overhead 3. Contract costing usually applicable in a. Construction industries c. Textile mills b. Cement industries d. Chemical industries 4. is a person for whom the contract job is undertaken. a. Contractor c. Contractee b. Sub - contractor d.Job - worker 5. Total Cost + Profit = a) Selling price c) Cost of goods sold b) Selling distribution overheads d) Gross profit 6. Prime cost + factory overhead = a. fixed cost c. works cost b. cost of production d. cost of goods sold 7. What is prime cost? a. Total direct cost only c. total indirect cost only. b. Total non-production cost d. total production cost 8. Cost of production – Administration overheads = a. Prime cost c. Works cost '

d. Work in progress

- 9. Which one of the following is not a contract cost_____
 - a. Direct wages
- c. Depreciation of Plant
- b. Sub contractor
- d. Job worker
- 10. Which of the following items is not included in preparation of a cost sheet.
 - a. Carriage inward

c. purchase returns

b. Sales commission

d. interest paid

Q.2. Y ltd. Manufacturers a chemical product which passes through three processes. The cost records show the following particular for the year ended 30th June 2019.

Input to I process 20,000 units @₹28 per unit.

Particulars	Process I ₹	Process II ₹	Process III ₹
Materials	48,620	1,08,259	1,03,345
Labour	32,865	84,553	77,180
Expenses	2,515	10,588	16,275
Normal loss (% on total input)	20%	15%	10%
Sales scrap value per kg (₹)	1	2	3
Actual output (units)	18,000	16,000	15,000

Prepare Process Accounts, Abnormal Gain or Loss account. Also show process cost unit for each process. (15)

OR

Q.2. M/s XYZ & co. manufactures a product which passes through three processes. The following particulars gathered for the month of March, 2017.

Particulars	Process X	Process Y	Process Z
Basic material introduced (kgs)	800	416	336
Cost of basic raw material per kg. (Rs)	96	90	35
Indirect material (Rs)	7,000	7,000	22,000
Direct material (Rs)	680	840	9496
Wages (Rs)	15,360	15,200	4,400
Overheads (%) of wages	50%	50%	50%
Normal loss (% on total input)	4%	5%	5%
Sales scrap value per kg (Rs)	-	6	
Output transferred to next process (%)	50%	40%	-
Output transferred to warehouse (%)	50%	60%	100%

Prepare Process Accounts

(15)

Q.3. M/s Sidra Construction undertook a contract for a contract price ₹ 60,00,000 and commenced the work on 1st July 2019. The following particulars are available for 9 months ended 31st march 2020. (15)

Particulars	₹
Material issued from stores	4,00,000
Material bought directly	20,50,000
Wages paid	19,00,000
Direct expenses	3,00,000
Establishment charges	1,50,000
Plant	6,50,000
Sub – contract charges	1,00,000
Scrap sold	30,000
Work certified	50,00,000

The following further information was available:

- a) Outstanding wages and direct expenses were ₹ 10,000 and ₹ 20,000 respectively on 31-3-2020
- b) Materials at site at the end of the year is valued at ₹ 1,20,000.
- c) Value of work certified ₹ 2,00,000 on 31-3-2020.
- d) Included in the wages is the salary paid to a supervisor @ ₹ 30,000 p.m. who had devoted half of the time on this contract.
- e) Working life of the plant is estimated to be 5 years at the end of which it is estimated to realize ₹ 50,000 as scrap value. The plant was purchased exclusively for this contract only. Prepare contract account for the year ended 31-3-2020.

OR

Q.3. The Lodha Construction company undertook the construction of a building at a contract price of Rs 12,00,000. The date of commencement of contract was 1st April, 2013

The following cost information is given for the year ended 31st march, 2014

(15)

Particulars -	Amount
Material sent to the site	3,00,000
Wages	4,40,000
Architect fees	55,500
Office and administration overheads	1,51,000
Uncertified work	55,000
Material at site at the end of the year	10,000
Cash received from the contractee (being 90% of work certified)	9,45,000
Material destroyed by fire	5,000
Plant and material at cost Date of purchase – 1 st July 2013. The estimated working life of the plant – 10 years and its estimated scrap value at the end Rs 20,000)	2,00,000
Supervisors salary	60,000

You are required to prepare a Contract Account for the ended 31st march 2014

Q.4. Following details are furnished by K.K Ltd. Of expenses incurred during the year ended 31st March 2019

March 2019		(1:
Particulars	10 m bar 274.450	Amounts
Direct wages	3 1834 4 1 34 1833 1	1,10,000
Purchases of raw material	NOT THE RESIDENCE OF THE PARTY	2,40,000
Factory rent	ACCEPTED A CONTRACTOR	35,000
Cost of catalogues	1120 35 25 25 25 100	17,100
Sundry expenses		18,500
Depreciation on plant and machinery	The second secon	19,000
Opening stock of raw material		25,000
Repairs to office furniture	The second secon	12,500
Carriage Outward	The state of the second	25,650
Interest on loans		12,700
Closing stock of raw material	The state of the s	15,000
Distribution of free samples		13,775
Audit fees	CONTROL OF THE PART TO SERVICE AND ADDRESS OF THE PART	11,500
Demonstration expenses	The state of the s	13,300
Furniture Loss by fire	The second of the second secon	8,000
Indirect Materials	s to the set is an ambient assume	26,000
Office salaries		27,500

Store keepers salary	9,000
Depreciation on office equipment's	10,000
Commission on sales	15,675
Direct expenses	90,000
Material handling charges	11,000
Machinery purchased	1,40,000

Other information:

- a) Stock of finished goods at the end 500 units to be valued at cost of production.
- b) Number of units sold during the year were 9,500.
- c) Profit desired on sales is 20% Prepare cost sheet showing the various elements of cost both in total and per unit and also find out the total profit and per unit profit.

OR

Q.4. The financial profit and loss account of M/s Beta, for the year ended 31st December, 2013 is as follows. (15)

Particulars	Amounts	Particulars	Amounts
To materials consumed	50,000	By sales	1,24,000
To direct wages	35,000	By share transfer fees	100
To works expenses	12,000		
To administration expenses	4,500		
To sales expenses	6,600		
To loan interest	1,000		
To net profit	15,000		
	1,24,100		1,24,100

The net profit as shown by the cost accounts for the year is Rs 15,760

Following additional information's are supplied

In cost accounts, following estimated overheads were charged Works overheads – 11,500
 Administrative overheads – 4,590
 Sales expenses – 6,650

2. In the cost accounts, the rent of owned building used in business was charged by Rs 500. Prepare cost sheet and reconciliation statement.

Q.5. (a) What is process costing? Name three industries where process costing can be applied.(7)

(b) Explain the advantages and dis advantages of process costing

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Q.5. Write a short note (any three)

(15)

(08)

- 1. Abnormal Loss
- 2. Escalation clause
- 3. Material Consumed
- 4. Notional Profit transfer to P&L Account
- 5. Selling and distribution overheads