

Dt: - 12/12/22.

Duration: 2.5 Hrs.

Total Marks: 75

NB: All workings should form part of the answer

Q.1 A Fill in the blanks with the most appropriate option (Any 8) (08)

1. _____ is a running charge in transport costing
 - a. Cost of diesel
 - b. Rent of Garage
 - c. Insurance
 - d. License Fees
2. The calculation of the cost per unit of service rendered by a vehicle, example : the cost per passenger kilometre is in _____ costing
 - a. Transport
 - b. Hotel
 - c. Hospital
 - d. Electricity
3. In Integrated system, cash sale of goods is debited to _____
 - a. Stores Ledger Control A/c
 - b. Cash/Bank A/c
 - c. Wages Control A/c
 - d. WIP control A/c
4. In Integrated system, Final profit as per Costing P&L A/c is credited to _____
 - a. Cost Ledger Control A/c
 - b. Profit & Loss A/c
 - c. Cost of Sales A/c
 - d. Trading account
5. In non-integrated system, cost ledger contains _____
 - a. all personal accounts
 - b. all impersonal accounts
 - c. all nominal accounts
 - d. Machinery
6. Process cost is based on the concept of _____
 - a. Average cost
 - b. Marginal cost
 - c. Standard cost
 - d. differential cost
7. Normal loss arises under _____
 - a. normal conditions
 - b. abnormal conditions
 - c. perfect conditions
 - d. unfavourable conditions
8. Equivalent units are calculated by _____
 - a. actual units x stage of completion
 - b. fresh units x stage of completion
 - c. input x stage of completion
 - d. fresh units + stage of completion
9. No. of inspections is an _____
 - a. Activity cost driver
 - b. organisational cost driver
 - c. structural cost driver
 - d. cost centre
10. Activity based management is the application of _____
 - a. ABC
 - b. Traditional costing
 - c. Operating Costing
 - d. Target costing

Q.1 B Match the following (Any 7) (07)

Column A	Column B
1. Hospital	a. Credit Factory overheads control A/c
2. Fixed cost	b. Changes with production level.
3. Abnormal loss	c. Number of despatches
4. Passenger Transport	d. Debit Factory overheads Control A/c
5. Issue of direct material	e. Remain unchanged with the

	production level changes
6. Return of indirect material to stores	f. Debit WIP Control A/c
7. Despatching costs	g. Unavoidable loss
8. Normal Loss	h. Avoidable loss
9. Wages applied to factory	i. Per patient -Day
10. Variable cost	j. Per passenger-km

Q.2. A Pass Journal entries for the following transaction of Moon Ltd for the month of June 2022 (15) under the Integrated system of Accounting.

Transactions	₹.
1. Material purchased from SPS & Co.	3,20,000
2. Material issued to production	2,50,000
3. Wages paid to worker	90,000
4. Wages applied to production	70,000
5. Factory overhead incurred	25,000
6. Material damage having no scrap value	10,000
7. Selling expenses incurred	30,000
8. Office expenses paid	15,000
9. Cost of goods produced	3,80,000
10. Materials returned to SPS & Co	50,000
11. Sales to FR Ltd (60% on credit)	5,00,000

OR

Q.2 B The following information for XYZ Ltd is available for the month of July 2022 (15)

- Opening Work-in-progress : 1,800 units at ₹. 9,000
Degree of completion : material : 100%, Labour & Overheads : 60%
 - Input of materials : 18,200 units at ₹. 54,600
Expenses : Labour : ₹. 24,600, Overheads : ₹. 16,400
 - Units scrapped : 2,400 units
Degree of completion : Material : 100%, Labour & Overheads : 70%
 - Closing Work-in-Progress : 2,000 units
Degree of Completion : Material : 100%, Labour & Overheads : 80%
 - Finished units transferred to next process : 15,600 units
 - Normal scrap : 10% of input (opening WIP + input) Scrap realized at ₹. 3 per unit
- Prepare : i. Statement of Equivalent Production using FIFO method
ii. Cost statement
iii. Statement of valuation
iv. Process Account

Q.3.A Following are the balances in Cost Ledger of Manufacturing Company on 1st April 2022. (15)

Particulars	Debit (₹.)	Credit (₹.)
Finished Stock Ledger Control A/c	4,500	
Factory overhead Control A/c	1,000	-
Work-In-Progress Control A/c	2,400	-
Stores Ledger Control A/c	4,400	-
Cost Ledger Control A/c	-	12,300

Following are the transactions for the month ending 30th April 2022.

Particulars	Amt. (₹.)
Raw material Purchased	65,000
Materials issued to Production	51,500
Direct wages	12,500
Factory overhead incurred	8,000
Indirect labour	2,500
Factory overhead charged to production	11,500
Cost of sale	57,800
Sales return at cost	1,000
Finished product at cost	67,500
Sales	70,000

Prepare the following cost control accounts:

1. Stores Ledger Control Account
2. Works Overhead Control Account
3. Work In Progress Ledger Control Account
4. Finished Stock Ledger Control Account
5. Cost Ledger Control Account
6. Trial balance as on 30th April 2022.

OR

Q.3. B Under ABC, Sharad Ltd. Provided the following information for the month of June: (15)

Particulars	Estimated overheads	Expected Activity	Actual overhead	Actual Activity
Setups	72,000	50 setups	70,000	60 setups
Purchase orders	4,200	2100 purchase orders	2,400	2100 purchase orders
Product testing	14,000	700 tests	13,800	680 tests
Template etching	2,400	60 etchings	2,000	64 etchings
Facilities	80,000	8000 sq. feet	85,000	8000 sq. feet

What amount of overhead was applied to the product during the June using ABC?

Q.4. A Layman Limited runs a Bus and requests you to suggest fare per passenger/kilometre from the following information provided : (15)

Purchase Price of Bus	₹. 30,00,000
Life of Vehicle	5 years
Scrap Value	₹. 70,000
Length of the route	28 kms
Interest on loan (per annum)	₹. 8,400
Driver's Salary (per month)	₹. 13,500
Conductor's Salary (per month)	₹. 8,000
Administrative Charges (per annum)	₹. 2,800
Repairs and Maintenance (per annum)	₹. 11,200
Insurance (per annum)	₹. 14,000
Garage Rent (per annum)	₹. 70,000
Road Tax & Permit (per annum)	₹. 3,500
Tire-tube repairs (per annum)	₹. 2,800
Diesel and Oil (per km)	₹. 9

The bus has 25 seats and it is planned to make 5 two-way trips for 25 days in a month. Assume Profit @ 20% of total revenue.

OR

- Q.4. B Aqua Ltd. produces a product 'Jellybean' which passes through two processes before it is completed and transferred to finished stock. The following data relates to November, 2022 (15)

Particulars	Process I ₹.	Process II ₹.	Finished Stock ₹.
Opening Stock	15,000	18,000	45,000
Direct Materials	30,000	31,500	
Wages	22,400	22,500	
Overheads	21,000	9,000	
Closing stock	7,400	9,000	22,500
Inter-process profit included in opening stock		3,000	16,500

Output of process I is transferred to process II at 25% profit on the Transfer Price.

Output of Process II is transferred to finished stock at 20% profit on transfer price. Stocks in process are valued at prime cost. Finished stock is valued at the price at which it is received from the process I. Sales during the period are ₹. 2,80,000.

Prepare : Process I Account

ii) Process II Account

iii) Finished Stock Account

iv) Calculate the actual realized profit

- Q.5.A Explain the advantages and limitations of Integrated Accounting System (08)
- Q.5. B Explain the advantages of Inter-firm comparison (07)

OR

- Q.5. C Write short notes on (any three) (15)
- General Ledger Adjustment Account
 - Equivalent Units
 - Advantages & Disadvantages of Process costing
 - Features of Operating Costing
 - Disadvantages of ABC