

22/11/2018



[Time: 2 ½ Hours]

- N.B.
1. Q. 1 is compulsory.
 2. Q.2 to Q.5 are compulsory with internal choice.
 3. Figures to the right indicate full marks.
 4. Workings should form a part of your answer.
 5. Use of simple calculator is allowed.

[Marks: 75]

Q1) A) Match the Following (Any 8)

[8]

	A		B
i	Machine setup costs	a	Actual output less normal output
ii	Units costs	b	Per patient day
iii	Hospital	c	Running expenses
iv	Payment of wages	d	Indirect cost
v	Library	e	Number of machine shops
vi	Records issue of material for use	f	Normal cost ÷ Normal output
vii	Ordering costs	g	Debit Wages control
viii	Abnormal gains	h	Per member book
ix	Overhead	i	Material acquisition
x	Cost of fuel for a car	j	Number of orders

Q1) B) State whether following statements are True & False (Any 7)

[7]

1. Uniform costing is a distinct method of costing
2. Work in progress ledger contains accounts of individual jobs
3. Over absorbed and under absorbed overheads is transferred to overhead adjustment account
4. Finished Goods Control Account is opened in the cost ledger
5. When raw materials are purchased the work in process control account is debited
6. For a passenger transport the composite cost unit is passenger k.m.
7. Invisible waste has no sales value
8. ABC leads enhanced control overhead costs
9. Abnormal loss is debited to Costing profit & loss account
10. Inter firm comparison does not maximize profitability

Q2) Journalise the following transactions under Integrated system

[15]

Raw material purchased	25,000
Direct Material issued to product	12,000
Direct Wages paid (30% indirect)	15,000
Direct Wages charged to production	9,000
Manufacturing Expenses incurred	75,000
Manufacturing Expenses charged to production	84,000
Selling & Distribution Cost	24,000
Finished Products at cost	21,000
Sales	32,000
Closing Stock	Nil
Collection from Debtors	5,800
Payment to Creditors	9,900

OR



Q2) The budgeted overheads and cost drivers volume of ABC Ltd are as follows [15]

Cost Pool	Budgeted Overheads (Rs.)	Cost driver	Budgeted Volume
Material procurement	580,000	No. of orders	1,100
Material handling	250,000	No. of movements	680
Set up	415,000	No. of set up	520
Maintenance	970,000	Maintenance hours	8,400
Quality Control	176,000	No. of inspections	900
Machinery	720,000	No. of machine hours	24,000

The company has produced a batch of 2600 components of GW-95, its material cost was Rs. 260,000 and labour cost was Rs. 490,000. The usage activities of the said batch are as follows

Material orders	52	Maintenance hours	1,380
Material movements	36	Inspection	56
setups	50	Machine hours	3,600

Ascertain the cost driver rates and also compute the cost of batch of component using ABC

Q3) Bharat Ltd. is engaged in process engineering industry. During the month of April 2018 [15] 2000 units were introduced in Process X. The normal loss was estimated at 5% of input. At the end of the month 1400 units had been produced and transferred to Process Y, 460 units were incomplete and 140 units, after passing through fully the entire process had to be scrapped.

The incomplete units had reached the following stage of completion

- Material 75% completed
- Labour 50% completed
- Overhead 50% completed

Following is the further information on the Process X

- Cost of the 2000 units Rs. 58,000
- Additional Direct Materials Rs. 14,400
- Direct Labour Rs. 16,000
- Overheads Rs. 19,000

Units scrapped realised Rs. 10 each

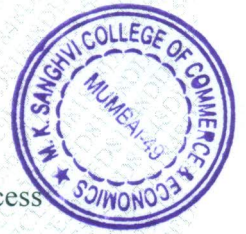
Prepare

- 1) Statement of Equivalent Production Statement
- 2) Statement of Cost
- 3) Process X Account

OR

Q3) A product passes through two process I & II and then transferred to finished stock [15]
Following information is given below

	Process I	Process II	Finished Stock
Opening Stock (Rs.)	15,000	18,000	45,000
Direct materials Cost (Rs.)	30,000	31,500	
Direct Wages (Rs.)	22,400	22,000	
Factory Overheads(Rs.)	21,000	5,000	
Closing Stock	7,400	5,000	22,500
Inter process profit 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 goods at 20% profit on transfer price. Stocks in process are value at prime cost. Finished Stock is valued at the price at which it is received from the process II. Sales during the period are 300,000/-. Prepare Process accounts and Finished Goods Account showing the profit element at each stage.

Q4) Marcopolo Transport Company maintains a fleet of bus as under [15]

- 20 busses with carrying capacity of 60 passengers each
- 10 busses with carrying capacity of 40 passengers each

Each bus makes 4 trips a day, covering a distance of 20 kilometres in each trip. On an average 80% of the seats are occupied in each trip and 5 busses are under repairs every day.

Following are the details available

Particulars	Rs.
Salary of 30 drivers	3,000 each per month
Salary of 30 cleaners	1,000 each per month
Diesel expenses	400,000 per month
Oil, grease etc.	5,000 per month
Tyres & Tubes etc.	2,000 per month
Repairs & Maintenance	30,000 per year
Garage Rent	40,000 per year
Road Licenses	20,000 per year
Taxes	5,000 per half year
Interest	25,000 per year
Salary to Operating Manager	5,000 per month
General Supervision Charges	20,000 per year

Assuming that the company operates its fleet daily (all 365 days), Ascertain the operating cost per passenger kilometre.

OR

Q4) Nitco Manufacturing Ltd. provides the below costing records with balances as on 1-1-17 [15]

	Rs in '000	Rs in '000
Stores Ledger Control A/c	2,480	-
Work-in-progress Ledger Control A/c	1,250	-
Finished Goods Ledger Control A/c	2,480	-
Production Overheads A/c	168	-
Administration Overheads A/c	-	240
Selling & Distribution Overheads A/c	125	-
General Ledger Adjustments A/c	-	6,263
	<u>6,503</u>	<u>6,503</u>



Following are the transactions for the year ended 31-12-2017

Particulars	Rs in '000
Material purchased	9,602
Material issued to Jobs	9,548
Material to Works Maintenance	824
Material to Administration Offices	68
Material to Selling Office	144
Wages - Productive	2,986
Wages - Non-productive	1,300
Transportation expenses for incoming materials	168
Production Overheads incurred	4,845
Absorbed Overheads Production	7,182
Administration Overheads incurred	1,480
Administration Overheads absorbed to Finished Goods	1,354
Sales Overheads incurred	1,284
Sales Overheads absorbed	1,640
Finished Goods produced	19,168
Finished Goods sold	19,842
Sales Realisation	24,860

Make up the various accounts as you envisage in the cost ledger and prepare a trail balance as on 31-12-2017

- Q5) A) What are the objects and requisites of Uniform Costing [8]
 B) Distinguish between Activity Based Costing and Activity Based Management [7]

OR

- Q5) Short Notes (Any 3) [15]
 1. Cost driver
 2. Abnormal Cost
 3. Equivalent Units
 4. Works Overhead
 5. Inter firm Comparison