

Bachelor of Commerce (B.Com.) Semester-V Examination

COST ACCOUNTING

Compulsory Paper—2

Time : Three Hours]

[Maximum Marks : 80

N.B. :— (1) ALL questions are compulsory.

(2) All questions carry equal marks.

1. (A) What is Cost Accounting ? Explain the importance of Cost Accounting. 8

(B) The following cost data is supplied for the half year ending 31st December 2014 :

	Rs.
Purchases of Raw Material	1,20,000
Works Overheads	48,000
Direct Wages	1,00,000
Carriage on Purchase	1,440
Stock (1 st July, 2014) Raw Material	20,000
Finish Product (1000 tons)	16,000
Stock (31 st December, 2014) Raw Material	22,240
Finish Product (2000 tons)	32,000
Work-in-Progress (1 st July, 2014)	4,800
Work-in-Progress (31 st December, 2014)	16,000
Sales-Finish Products	3,00,000

Selling and distribution overheads are Re. 1 per ton sold 16,000 tons of commodity were produced during the period.

You are to ascertain (1) Cost of Raw Materials used, (2) Cost of Output for the period, (3) Cost of Sales, (4) Net Profit for the Period and (5) Net Profit per ton of commodity sold. 8

OR(C) Following are the particulars for the production of 2000 calculators of Raj Engineering Co. Ltd. for the year ending 31st March, 2017 :

Opening Stock of Raw Materials	Rs. 40,000
Purchase of Raw Material	Rs. 2,00,000
Closing Stock of Raw Material	Rs. 60,000
Wages	Rs. 2,40,000
Manufacturing Expenses	Rs. 1,20,000

Salaries	Rs. 1,40,000
Rent and Insurance	Rs. 30,000
General Expenses	Rs. 40,000
Selling Expenses	Rs. 50,000
Sales	Rs. 8,80,000

Company plans to manufacture 3,000 calculators during the year 2018. Company wants profit of 20% on sales, in 2018. Following additional information supplied to you :

- (1) Prices of Material will rise by 20%.
- (2) Wages Rate will Rise by 15%.
- (3) Manufacturing expenses will rise in proportion to the combined cost of material and wages.
- (4) Selling expenses per unit will remain the same.
- (5) Other expenses will remain unaffected by the rise in output.

Prepare statement showing the price of calculator would be marketed. 16

2. (A) Explain the object of preparation of Reconciliation Statement of Profit. 8
- (B) The profit as per Cost Accounts Rs. 84,350. The following figures are found out on comparing Cost Accounts with Financial Accounts :

Particulars	Cost Accounts	Financial Accounts
	Rs.	Rs.
(1) Opening Stock :		
Material	15,800	16,300
Work-in-Progress	9,000	10,000
(2) Closing Stock :		
Material	16,000	15,000
Work-in-Progress	9,000	8,000
(3) Dividend and Interest Received	—	500
(4) Loss on Sale of Motor Car	—	600
(5) Rs. 2,000 Interest charge not considered in Financial Accounts.		

(6) Goodwill Rs. 5,000 has been written off during the year.

(7) Overheads incurred Rs. 56,500 but overheads recovered amounted to Rs. 60,000.

Find out profit as per financial accounts and prepare reconciliation statement. 8

OR

(C) The following figures have been taken from the Financial accounts of manufacturing firm for the first year of its operations :

	Rs.
Direct Material Consumption	5,60,000
Direct Wages	3,00,000
Factory Overheads	1,60,000
Administrative Overheads	70,000
Selling and Distribution Overheads	96,000
Bad Debts	8,000
Preliminary Expenses Written Off	4,000
Legal Charges	1,000
Dividend Received	10,000
Interest Received on Deposits	2,000
Sales (12000 units)	12,00,000
Closing Stock :	
Finished Goods	32,000
Work-in-Progress	24,000

The Cost Accounts for the same period reveal that factory overheads are :

20% on Prime Cost. Administration overheads are recovered at 7% on factory cost. Selling and distribution overheads are recovered at Rs. 8 per unit sold. Finish Goods are valued at production cost.

Prepare the Profit and Loss Account and Cost Sheet. Reconcile the profit as per Financial Accounts and Cost Accounts. 16

3. (A) What do you mean by Process Accounting ? Describe the characteristics of Process Costing.

8

(B) A product passes through two different processes namely Process A and B. Following information has been obtained :

Particulars	Process A	Process B
Material Purchased	1000 kg	105 kg
	Rs.	Rs.
Rate of Material per kg	200	200
Wages	50,000	20,000
Direct Expenses	30,000	15,300

Particulars	Process A	Process B
Indirect Expenses	75% of Wages	80% of Wages
Sales of Empty Bags (Rs.)	1,000	1,300
Sales of Residues (Rs.)	1,250	1,250
Byproduct	100 kgs.	150 kgs.
Sales of Byproduct (Per kg)	Rs. 200	Rs. 150
Production	780 kgs	700 kgs

Prepare Process Cost Accounts.

8

OR

- (C) A product passes through three processes. An oil company gives the following cost data. You are required to prepare various accounts. Purchases of 1000 quintals of Copra @ Rs. 500 per quintal :

Particulars	Crushing	Refining	Finishing
	Rs.	Rs.	Rs.
Cost of Labour	6,600	3,000	3,000
Electric Power	1,000	500	400
Sundry Material	700	200	—
Repair to Machinery & Plant	500	400	400
Steam	250	150	100
Other Factory Expenses			
Rs. 9,450 to be Charged			
75% of Wages	—	—	—
Cost of Caskets	—	—	580

Normal loss in first process was 30% of input actual output 690 quintals.

Process II Byproduct 90 quintals value Rs. 6,200.

Process III Normal Loss 5% actual output 580 quintal.

Scrap of 1st process realised Rs. 10 per quintal.

Prepare : Process Accounts and Finished Stock A/c.

16

4. (A) Write short notes on :

(i) Certified Work

(ii) Retention Money.

8

(B) The following particulars relate to Contract No. 777 for the year ended 31st March, 2016 :

	Rs.
Material purchased	84,000
Material issued from store	32,400
Material transferred to Contract No. 780	2,280
Material transferred from Contract No. 780	6,930
Wages Outstanding at end	1,800
Wages paid	90,000
Electrical Fittings	4,680
Road Making Charges	21,000
Indirect Expenses	5,607
Sub-Contract Cost	9,000
Small Plant Used	7,500
Extra Work Done (Cost)	1,500
Material in hand at the end	7,515
Value of Big Plant	36,000
Contract Price Including Road Making Charges	2,70,000
Period for which big plant was used—10 months. The contract was completed during the year. Depreciation on the plant is to be charged @ 10% P.A.	

Prepare Contract A/c. No. 777 in the Ledger of Contractor. 8

OR

(C) On 1st January, 2017 A undertook a contract for Rs. 10,00,000. He incurred the following expenses during the year :

	Rs.
Material issued from stores	1,00,000
Material purchased for the contract	50,000
Plant installed at cost	70,000
Wages paid	2,00,000
Wages accrued on 31-12-2017	80,000
Direct expenses paid	20,000
Direct expenses accrued on 31-12-2017	5,000
Establishment expenses	13,000

On the plant materials charged to the contract, the plant which cost Rs. 4,000 and the material costing Rs. 3,000 were lost. Some of materials costing Rs. 4,000 were sold for Rs. 5,000. On 31st December, 2017 the plant which cost Rs. 1,000 was returned to the stores and a part of the plant which cost Rs. 5,000 was transferred to some other contract.

The work certified was Rs. 4,80,000 and 80% of the same was received in cash. The cost of work done, but uncertified was Rs. 2,000. Charge 10% p.a. depreciation on plant. Prepare the Contract Account for the year ended 31st December, 2017 and also prepare Balance Sheet for the year ended 31st December, 2017. 16

5. (A) From the following details find out Cost of Material Consumed :

	Rs.
Stock of Raw Material (Opening)	1,24,600
Stock of Raw Material (Closing)	88,000
Material Purchased	4,28,000
Defective Material Returned	6,000
Sale of Empty Containers	12,000
Carriage Purchases	8,000
Octroi Tax Paid	12,000
Cost of Material Destroyed by Rain	5,000
	4

- (B) Following is the information of Radha Company. Prepare reconciliation statement and find out profit & loss as per Cost Books :

	Rs.
(i) Net Loss as per financial books	14,350
(ii) Office Expenses over recovered in cost-books	7,700
(iii) Work overhead under recovered in cost books	23,450
(iv) Interest received on bank deposit included only in financial books	5,250
(v) Provision for taxation in financial books	98,350
	4

- (C) Prepare Process A Account from the following information :

	Rs.
Raw Material used (1000 Qtls.)	2,40,000
Productive Wages	41,000
Other Expenses	20,600
Loss in Weight	20 Qtls.
Normal Wastage	10% of inputs
Sale of Wastage	Rs. 200 per Qtls.
Output Transferred to Warehouse	25% output
Output Transferred to Next Process	75% output
	4

(D) Mr. Ashok undertook a contract for constructing building from Mr. Raje on 1st January, 2014. The contract price being Rs. 2,00,000. He incurred the following expenses :

	Rs.
Material consumed	1,30,000
Material in hand	5,000
Wages	40,000
Direct expenses	55,000
Plant purchases	25,000

The contract was completed on 30th June, 2014 and the contract price was duly received. Provide depreciation @ 10% on plant and charge indirect expenses 25% on wages.

Prepare Contract A/c in the Books of Mr. Ashok. 4

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(मराठी माध्यम)

1. (अ) परिव्यय लेखांकन म्हणजे काय ? परिव्यय लेखांकनाचे महत्व स्पष्ट करा. 8
 (ब) इंग्रजी माध्यमानुसार. 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 16
2. (अ) लाभाचे समाधान विवरण तयार करण्यामागील उद्देश स्पष्ट करा. 8
 (ब) इंग्रजी माध्यमानुसार. 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 16
3. (अ) विधा लेखे म्हणजे काय ? विधा लेखांकनाचे वैशिष्ट्ये सांगा. 8
 (ब) इंग्रजी माध्यमानुसार. 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 16
4. (अ) टिप्पण लिहा :
 (अ) प्रमाणित कार्य
 (ब) रोखलेली रक्कम (Retention Money). 8
 (ब) इंग्रजी माध्यमानुसार. 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 16
5. (अ) इंग्रजी माध्यमानुसार. 4
 (ब) इंग्रजी माध्यमानुसार. 4
 (क) इंग्रजी माध्यमानुसार. 4
 (ड) इंग्रजी माध्यमानुसार. 4

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(हिन्दी माध्यम)

1. (अ) परिव्यय लेखांकन की परिभाषा बताइये। परिव्यय लेखांकन (लागत लेखांकन) का महत्व विशद कीजिये। 8
 (ब) अंग्रेजी माध्यम के अनुसार। 8
- अथवा
- (क) अंग्रेजी माध्यम के अनुसार। 16
2. (अ) लाभ का समाधान विवरण तैयार करने के उद्देश्य स्पष्ट कीजिये। 8
 (ब) अंग्रेजी माध्यम के अनुसार। 8
- अथवा
- (क) अंग्रेजी माध्यम के अनुसार। 16
3. (अ) विधा लेखे की परिभाषा बतलाइये। उसकी वैशिष्ट्ये विशद कीजिये। 8
 (ब) अंग्रेजी माध्यम के अनुसार। 8
- अथवा
- (क) अंग्रेजी माध्यम के अनुसार। 16
4. (अ) टिप्पणियां लिखिये :
 (अ) प्रमाणित कार्य
 (ब) रोखीत राशि (Retention Money)। 8
 (ब) अंग्रेजी माध्यम के अनुसार। 8
- अथवा
- (क) अंग्रेजी माध्यम के अनुसार। 16
5. (अ) अंग्रेजी माध्यम के अनुसार। 4
 (ब) अंग्रेजी माध्यम के अनुसार। 4
 (क) अंग्रेजी माध्यम के अनुसार। 4
 (ड) अंग्रेजी माध्यम के अनुसार। 4