RA3C1023

SYBAF Sem - III
Reg/ATKT Oct 2023
CA

Duration: 2 ½ Hours

Total Marks : 75

Q1. A. Rewrite the statement with the appropriate answer (Any 8) 08

1. In Cost accounting CPU stands for ________.
   a. Cost per unit b. Cost profit unit c. Central processing unit d. Control per unit
2. Sales Rs.1, 20,000, profit 20% on cost. Cost of sales is ________.
   a. Rs.20, 000 b. Rs.96, 000 c. Rs.90, 000 d. Rs.1, 00, 000
3. The aggregate of________costs is termed as overheads.
   a. Direct b. Indirect c. Total d. Cash
4. Which of the following items is not included in preparation of a cost sheet?
   a. Carriage Inward b. Carriage outward c. Interest d. Rent paid
5. In Contract costing payment of cash to the contractor is made on the basis of ________.
   a. Retention money b. Certified work c. Work-In-Progress d. Uncertified work
6. Notional Profit is equal to ________.
   a. Work certified less cost of work certified b. Work certified less cost of work completed
   c. Payment received less work d. Cash received in advance
7. At break-even point, the contribution is equal to ________.
   a. Variable cost b. Administrative Cost c. Sales revenue d. Fixed Cost
8. Interest paid on debentures is ________.
   a. Debited to Costing Profit and loss A/c b. Credited to Costing Profit and Loss A/c
   c. Debited to Financial Profit and loss A/c d. Credited to Financial Profit and loss A/c
9. Process Costing is applicable to ________.
   a. Paper Industry b. Transport Company c. Printing Press d. Repair works
10. The realisable value of Normal loss is credited to ________.
    a. Normal loss A/c b. Process A/c c. Abnormal loss A/c d. Abnormal gain A/c

Q1. B. State whether the following are True or False (Any 7) 07

1. A cost sheet and income statement is one and the same.
2. Cost of Production=Factory Overheads + Office overheads.
3. Goodwill written off appears only in cost accounts.
4. The cost of material lost or destroyed is debited to the Contract Account.
5. Weight loss has a no scrap value.
6. Contractee is a person who takes the contract.
7. Cash received on contract is credited to contractee account.
8. Drawing office salaries is Office overheads.
9. A By-product has normal sales value.

10. Process Costing is ordinarily applied where all the operations are performed in one department.

Q2. From the following information, prepare detailed Cost statement for the year ended 31-03-2014. **15**

Particulars	Rs.
Opening stock - Raw materials	20,000
- Finished Goods	30,000
Purchase of Raw materials	15,00,000
Direct Wages	12,00,000
Power	99,500
Carriage on Purchase of Raw materials	20,000
Cost of a special Design	50,000
Custom Duty and Octroi on Raw materials	60,000
Rent and Rates - Office	50,000
- Factory	70,000
Telephone Expenses	30,000
Advertisement	75,000
Electricity - Office	15,000
- Factory	30,000
Machinery lost by Fire	1,00,000
Depreciation - Plant and Machinery	80,000
- Delivery Van	20,000
Income Tax	1,20,000
Salaries	2,50,000
Donations	70,000
Establishment Expenses	1,00,000
Rent of Showroom	65,000
Interest on Loan	45,000
Sale of Factory Scrap	7,500
Dividend Received	17,500
Director's Fees	60,000
Mailing charges of Sale Literature	10,000
Closing Stock - Raw materials	1,85,000
- Finished Goods	30,000

Other Information:

a) 60% of Telephone expenses relate to office and 40% to Sales department.

b) Salaries to be allocated to the Factory, Office and Sales department in the ration of 1:2:1

c) Establishment Expenses are to be apportioned equally between Office and Sales department.

d) Sales are made to earn profit @ 20% on Selling Price.

OR

Q2. Following details are furnished by MBA Ltd of expenses incurred during the year ended 31st March, 2014. **15**

Particulars	Rs.
Direct Material	3,40,000
Opening stock of Finished Goods (1000 units)	85,250
Closing stock of Finished Goods (2000 units)	?
Depreciation on Plant and Machinery	96,000
Loss on Sale of Machinery	17,500
Trade Fair Expenses	85,500
Direct Expenses	1,60,000

Direct Expenses	
General Manager's Salary	3,80,000
Dividend Paid	7,800
Direct Wages	2,60,000
Advertisement	1,85,250
Depreciation on Computers	1,72,000
Drawing and Designing Expenses	54,000
Purchase of Machinery	1,90,000
Depreciation on Delivery Van	1,14,000
Office Maintenance Charges	1,88,000

Factory Rent	1,50,000
Sales (19,000 units)	22,80,000

Closing stock of Finished goods to be valued at Cost of Production

You are required to prepare Cost Sheet showing various elements of cost both in total and per unit and also find out Total Profit and Per Unit Profit.

Q3. Following is the summarised Profit and Loss Account of M/s Star Manufacturing Co. Ltd for the year ended 31st Dec 2014. **15**

Profit and Loss Account for the year ended 31st Dec 2014

Particulars	Rs.	Particulars	Rs.
To Wages	1,51,000	By Sales (12,000 units)	6,00,000
To Materials Used	2,74,000	By Closing stock of Finished Goods (400 units)	16,000
To Factory Expenses	83,000		
To Expenses on Administration	38,240	By Closing stock of Work-In-Progress	12,000
To Selling Expenses	45,000	By Dividend Received	1,800
To Goodwill written off	2,000		
To Preliminary Expenses written Off	4,000		
To Net Profit	32,560		
	6,29,800		**6,29,800**

In the Cost accounts:

1. Factory expenses have been allocated to the production at 20% on prime cost.
2. Expenses of administration at Rs.3 per unit produced.
3. Selling expenses at Rs.4 per unit sold.

You are required to prepare Cost sheet of the company and reconcile the profits disclosed by the cost accounts and those shown by Financial Accounts.

OR

Q3. Mohan construction Pvt Ltd. Obtained two contracts Viz. Angel and Paradise. Contract Angel commenced on 1st October, 2013 and Contract Paradise started on 1st December, 2013. Following information was extracted from their books for the period ended 31st March, 2014. **15**

Particulars	Contract Angel	Contract Paradise
Contract Price	70,00,000	60,00,000
Cash Received	14,00,000	7,65,000
Plant issued at commencement	22,50,000	12,00,000
Work Certified	17,50,000	9,00,000
Work Uncertified	52,000	28,000
Direct Wages	2,95,000	1,77,500
Direct Expenses	1,36,500	88,700
Supervision Charges	27,500	22,500
Administrative Overheads	2,72,500	1,47,500
Sub- contract Charges	63,700	44,200
Electricity Charges	48,800	28,600
Architect's Fees	52,000	27,000
Indirect Materials	1,47,000	89,800
Direct Materials	3,58,000	1,97,200
Direct Materials Returned to Stores	14,000	12,000
Direct Materials at site at the end of Period	73,000	42,000

Other Information:

1) On 15th December 2013 Direct Material Costing Rs.22, 000 have been transferred to Contract Paradise from Contract Angel.
2) On 21st February 2014 Indirect Material costing Rs.15, 000 have been transferred from Contract Paradise to Contract Angel.
3) Provide Depreciation @ 20% p.a. on the original cost of Plant

You are required to prepare Contract Angel A/c and Contract Paradise A/c for the period ended 31st March, 2014.

Q.4 A product passes through three processes. The following cost data have been extracted from the books of a manufacturing company. **15**

Particulars	Total (Rs)	Process I	Process II	Process III
Material	1,50,840	52,000	39,600	59,240
Direct Wages	1,80,000	40,000	60,000	80,000
Production Overhead	1,80,000			

10,000 units at Rs.6/- each were introduced into the process I. There was no stock of material or Work-In-Progress at the beginning or at the end. The output of each process passes directly to the next process and finally to the finished stock. Production Overhead is recovered at 100% of Direct wages. The following additional data are obtained:

Process	Output Unit	% of Normal loss to Input	Value of Scrap per Unit
I	9,500	5%	4
II	8,400	10%	8
III	7,500	15%	10

Prepare Process Accounts and Abnormal Loss A/c / Gain Account and Normal loss Account.

OR

Q4. Balaji Enterprises provides you the following information for the month of February 2015 about Process I, II and III : **15**

Particulars	Process I	Process II	Process III
Basic Raw materials introduced (Units)	30,000	5,050	3,780
Cost of Raw materials per unit (Rs.)	15	18	22
Direct expenses (Rs.)	1,50,000	1,70,000	1,90,000
Direct wages (Rs)	1,20,000	1,00,000	1,00,000
Indirect Materials (Rs)	8,100	9,205	6,500
Factory Overheads (Rs)	1,13,100	1,19,345	87,740
Normal Loss (as % of total no. of units input)	4%	6%	8%
Scrap Value per unit (Rs)	5	7	10
Actual Output (Units)	28,500	23,700	16,500
Output transferred to Next Process (%)	70%	60%	-
Output sold at the end of Process (%)	30%	40%	100%
Selling Price per unit of the Output sold at the end of the process (Rs.)	32	44	70

Out transferred to next process at cost. You are required to prepare Process accounts.

Q5. a. What are the features of Contract Costing? **8**
b. Distinguish between Job Costing and Process Costing. **7**

OR

Q.5 Write Short Notes on Any 3 **15**

1. Retention Money
2. Work Certified
3. Direct Expenses
4. Advantages of Cost sheet
5. Contract Account