

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
SY B.Com, Semester-III, Supplementary Examination June 2023
Fundamentals of Cost Accounting (CC 10)

Duration: 2hrs**Max Marks: 80****Instructions:**

- 1) Q.1 is compulsory.
- 2) Answer any three from Q.2 to Q.6.
- 3) Start each question on fresh page.
- 4) Figures to the right indicate maximum marks.
- 5) Working notes form part of the answer and carries marks.

Q1) From the following information of MKN Ltd, prepare cost sheet for the year ending 31st March 2022

Particulars	Amount (Rs.)
Sales	6,24,325
Salary and traveling expenses of salesmen	27,500
Fuel and power	26,250
Purchase of raw materials	1,75,000
Stationery for sales department	1000
Closing Stock of raw materials	43,750
Bad debts	6500
Packaging charges	16,250
Office stationery	4125
Factory stationery	6250
Office rent paid	16,250
Factory insurance paid	8750
Rent, rates and taxes paid for factory	20,000
Salary paid to office staff	43,750
Depreciation on plant	7500
Indirect wages	13,750
Carriage inward	6250
Depreciation on office furniture	5000
Directors' fees	28,750
Labour charges paid	18,750
Direct expenses	12,500
Other office expenses	14,750
Opening Stock of raw materials	37,500
Advertisement paid	18,875
Carriage outward	8750

(1 X 20 = 20 Marks)

Q2) LK contractors have two projects going on. The following are the details of the two projects for the year ending 31st March 2022.

Particulars	Contract L(Rs.)	Contract K(Rs.)
Cash received	8,62,500	5,68,750
Work uncertified	28,750	23,750
Work certified	8,87,500	6,25,000
Materials returned to stores	15,000	8,750
Material at site as on 31 st March 2022	50,000	18,750
Architect's fees	12,500	10,000
Plant at site as on 31 st March 2022	1,68,750	1,57,500
Wages outstanding on 31 st March 2022	18,750	12,500
Indirect expenses	75,000	50,000
Direct expenses	1,25,000	87,500
Plant installed at site	1,87,500	1,75,000
Wages	1,50,000	1,31,250
Material issued	5,25,000	2,37,500
Contract Price	15,00,000	10,00,000

Prepare contract L A/c and Contract K A/c for the year ending 31st March 2022.

During the year material amounting to Rs. 10,000 have been transferred from Contract L to Contract K.

(1 X 20 = 20 Marks)

Q3) (A) The product of SU Ltd a manufacturing concern passes through two processes A and B. It is ascertained that in each process 12 % of the total weight is lost and 6 % is scrap from process A and B which realizes Rs. 80 per unit and Rs. 210 per unit respectively.

The following are the figures relating to both the processes.

Particulars	Process A	Process B
Wages paid	Rs. 75,000	Rs. 55,000
Manufacturing Expenses	Rs. 21,250	Rs. 18,750
Materials in Units	2500	150
Cost of materials per unit	Rs. 190	Rs. 290

Prepare Process A A/c and Process B A/c.

(1 X 10 = 10 Marks)

(B) M/s KK undertook a contract. The following was the expenditure on the contract.

Particulars	Amount (Rs.)
Contract price	6,25,000
General expenses	12,500
Wages paid	62,500
Plant used	93,750
Material issued	1,50,000

Cash received for the contract as on 31st March 2022 amounted to Rs. 2,00,000 being 80% of work certified. Plant costing Rs. 8,750 and material costing Rs. 7,500 were lost. Material costing Rs. 12,500 were at site and Plant worth of Rs. 6,300 was returned to stores on 31st March 2022. Depreciation charged on plant was 15%. Cost of work done but not certified amounted to Rs. 5,000.

From the above information prepare the Contract A/c for the year ended 31st March, 2022.

(1 X 10 = 10 Marks)

Q4) The following is the cost sheet for the year ending 31st March, 2022, taken from a company manufacturing Fans

Cost Sheet for the year ended 31st March 2022 (625 Fans)

Particulars	Amount (Rs.)	Amount (Rs.)
Raw Material Consumed	2,50,000	
Direct Wages paid	1,87,500	
Direct Expenses paid	62,500	
Prime Cost		5,00,000
Add:- Factory Overheads		
Factory Expenses	10,000	
Depreciation on plant & machinery	8,750	
Consumables	11,250	
Factory supervision	12,500	
Factory rent	6,250	
Indirect Wages	8,750	
Less:- Sale of Scrap	(12,500)	45,000
Factory Cost/ Work Cost		5,45,000
Add:- Office and Administration Overheads		
Compliance fees paid	3,250	
Office Staff salaries	87,500	90,750
Cost of Production		6,35,750
Add:- Selling and Distribution Overheads		
Showroom expenses	9,375	

Commission to salesmen	1,00,000	
Carriage outward	12,500	1,21,875
Cost of Sales		7,57,625
Profit		3,67,375
Sales		11,25,000

625 units of fans had been produced and sold for the year ending 31st March, 2022.

For the year ending 31st March, 2023, the following estimates have been made.

- Production and sales will be 1250 units.
- Direct Wages per unit will rise by 20%
- Material cost per unit will rise by 40%
- Direct expenses will be in same proportion to wages.
- Selling overheads per unit will remain same.
- Office and Administration overheads will remain constant.
- Factory expenses will be in same proportion to prime cost.
- Profit desired is 25 % on cost price.

Prepare an Estimated Cost for the year ending 31st March, 2023.

(1 X 20 = 20 Marks)

Q5) In a factory a product passes through three processes O, P and Q. In each process 6 % of total weight is lost and 12 % is scrap. Scrap realizes Rs. 25 for process O, Rs. 38 for process P and Rs. 50 for Process Q. The following details are available.

Particulars	Process O (Rs.)	Process P (Rs.)	Process Q (Rs.)
Materials used in Units	8750	3321	1838
Cost per unit of materials	Rs. 120	Rs. 150	Rs. 260
Wages	Rs. 93,750	Rs. 75,000	Rs. 37,500
Other expenses	Rs. 43,750	Rs. 31,250	Rs. 25,000

32 % of the output of process O is sent to warehouse and 68 % is sent to Process P. 50 % of the output of process P is sent to warehouse and 50 % is sent to Process Q. 100 % of the output of process Q is sent to warehouse.

Prepare Process O A/c, Process P A/c and Process Q A/c

(1 X 20 = 20 Marks)

Q6) Write short notes on:

(4 x 5 = 20 Marks)

- Cost Classification
- Distinguish between Cost Accounting and Financial Accounting.
- Work Certified and Work uncertified
- Joint Product and By-Product