

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
SY B.Com, Semester-III, Supplementary Examination August 2022
Fundamentals of Cost Accounting (COC 106)

Max Marks: 80

Duration: 2hrs

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.

Q1) From the following information of C Ltd, prepare cost sheet for the year ending 31/3/2021

Particulars	Amount (Rs.)
Opening Stock of raw materials	30,000
Purchase of raw materials	1,40,000
Closing Stock of raw materials	35,000
Direct expenses	10,000
Labour charges paid	15,000
Fuel and power	21,000
Directors' fees	23,000
Carriage inward	5,000
Carriage outward	7,000
Indirect wages	11,000
Salary paid to office staff	35,000
Rent, rates and taxes paid for factory	16,000
Office rent paid	13,000
Depreciation on plant	6,000
Depreciation on office furniture	4,000
Factory insurance paid	7,000
Factory stationery	5,000
Other office expenses	11,800
Office stationery	3,300
Salary and traveling expenses of salesmen	22,000
Packaging charges	13,000
Bad debts	5,200
Stationery for sales department	800
Advertisement paid	15,100
Sales	4,99,460

(1 X 20 = 20 Marks)

Q2) In a factory a product passes through three processes A, B and C. In each process 5 % of total weight is lost and 10 % is scrap. Scrap realizes Rs. 20 for process A, Rs. 30 for process B and Rs. 40 for Process C. The following details are available.

Particulars	Process A (Rs.)	Process B (Rs.)	Process C (Rs.)
Materials used in Units	7000	5000	3012
Cost per unit of materials	Rs. 110	Rs. 140	Rs. 200
Wages	Rs. 75,000	Rs. 60,000	Rs. 30,000
Other expenses	Rs. 35,000	Rs. 25,000	Rs. 20,000

20 % of the output of process A is sent to warehouse and 80 % is sent to Process B. 50 % of the output of process B is sent to warehouse and 50 % is sent to Process C. 100 % of the output of process C is sent to warehouse.

Prepare Process A A/c, Process B A/c and Process C A/c

(1 X 20 = 20 Marks)

Q3) SP contractors have two projects going on. The following are the details of the two projects for the year ending 31st March 2021.

Particulars	Contract A(Rs.)	Contract B(Rs.)
Material issued	4,20,000	1,90,000
Wages	1,20,000	1,05,000
Plan installed at site	1,50,000	1,40,000
Direct expenses	1,00,000	70,000
Indirect expenses	60,000	40,000
Architect's fees	10,000	8,000
Wages outstanding on 31 st March 2021	15,000	10,000
Plant at site as on 31 st March 2021	1,35,000	1,26,000
Material at site as on 31 st March 2021	40,000	15,000
Contract Price	12,00,000	8,00,000
Materials returned to stores	12,000	7,000
Work certified	7,10,000	5,00,000
Work uncertified	23,000	19,000
Cash received	6,90,000	4,55,000

During the year material amounting to Rs. 8,000 have been transferred from Contract A to Contract B. Prepare contract A A/c and Contract B A/c for the year ending 31st March 2021.

(1 X 20 = 20 Marks)

Q4) The following is the cost sheet for the year ending 31st March, 2021, taken from a company manufacturing tables

Cost Sheet for the year ended 31 st March 2021 (500 tables)		Amount (Rs.)	Amount (Rs.)
Particulars			
Raw Material Consumed		200,000	
Direct Wages paid		150,000	
Direct Expenses paid		50,000	
	Prime Cost		400,000
Add:- Factory Overheads			
Indirect Wages		7,000	
Factory rent		5,000	
Factory supervision		10,000	
Consumables		9,000	
Depreciation on plant & machinery		7,000	
Factory Expenses		8,000	
			36,000
Less:-Scrap sales		(10,000)	
			4,36,000
	Factory Cost/ Work Cost		
Add:- Office and Administration Overheads			
Office Staff salaries		70,000	
Audit and compliance fees paid		2,600	
			72,600
	Cost of Production		5,08,600
Add:-Selling and Distribution Overheads			
Commission to salesmen		80,000	
Showroom expenses		7,500	
Carriage outward		10,000	
			97,500
	Cost of Sales		6,06,100
	Profit		2,93,900
	Sales		9,00,000

500 units of tables had been produced and sold for the year ending 31st March, 2021.

For the year ending 31st March, 2022, the following estimates have been made.

- Production and sales will be 1000 units.
- Material cost per unit will rise by 30%
- Direct Wages per unit will rise by 15%
- Direct expenses will be in same proportion to wages.
- Factory expenses will be in same proportion to prime cost.
- Office and Administration overheads will remain constant.
- Selling overheads per unit will remain same.
- Profit desired is 20 % on cost price.

Prepare an Estimated Cost for the year ending 31st March, 2021.

(1 X 20 = 20 Marks)

Q5) (A) M/s MV undertook a contract. The following was the expenditure on the contract.

Particulars	Amount (Rs.)
Material issued	120,000
Plant used	75,000
Wages paid	50,000
General expenses	10,000
Contract price	500,000

Cash received for the contract as on 31st March 2021 amounted to Rs. 1,60,000 being 80% of work certified. Plant costing Rs. 7,000 and material costing Rs. 6,000 were lost. Material costing Rs. 10,000 were at site and Plant worth of Rs. 5,000 was returned to stores on 31st March 2021. Depreciation charged on plant was 10%. Cost of work done but not certified amounted to Rs. 4,000.

From the above information prepare the Contract A/c for the year ended 31st March, 2021.

(1 X 10 = 10 Marks)

(B) The product of P Ltd a manufacturing concern passes through two processes X and Y. It is ascertained that in each process 10 % of the total weight is lost and 5 % is scrap from process X and Y which realizes Rs. 60 per unit and Rs. 190 per unit respectively.

The following are the figures relating to both the processes.

Particulars	Process X	Process Y
Materials in Units	2000	100
Cost of materials per unit	Rs. 185	Rs. 270
Wages paid	Rs. 60,000	Rs. 44,000
Manufacturing Expenses	Rs. 17,000	Rs. 15,000

Prepare Process X A/c and Process Y A/c.

(1 X 10 = 10 Marks)

Q6) Write short notes on:

(4 x 5 = 20 Marks)

1. Objectives of Cost Accounting.
2. Cost Unit and Cost Centre
3. Classification of Cost
4. Distinguish between Financial Accounting and Cost Accounting.