

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**TY B.Com, Semester-VI, (CBCS) Repeat Examination, November 2022**  
**Cost Accounting (DSE V)**  
**Advanced Cost Accounting - I**

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

- 1) Q.1 is compulsory.
- 2) Answer any 3 from Q.2 to Q.6
- 3) Start each question on fresh page.
- 4) Figures to the right indicate maximum marks.

Q.1 Maples Co. undertakes jobbing work at a large scale. Following were the cost details for Job no.8811 undertaken in year 2021:

| Particulars                                | Rs.           |
|--|---------------|
| Direct material Cost                       | 8,000         |
| Direct Wages: Machining (400 hrs @ Rs. 12) | 2,400         |
| Assembly (200 hrs @Rs. 8)                  | 800           |
|  | <b>11,200</b> |

The overheads were:

|   |
|---|
| Production Overhead Rs. 10 per direct labour hour         |
| Selling and distribution overhead: 20% on production cost |

Price of Job 8811 was Rs. 25,000

In the year 2022, Maples Co. has received a similar order for a Job, which is Job. no. 8891 for which the material costs are unchanged, and overhead absorption data is as follows:

| Production Overhead:              |                              |
|-----------------------------------|------------------------------|
| Material handling Costs           | 10% of Direct Material Cost  |
| Machining Costs                   | Rs. 15 per direct labour hr  |
| Assembly Costs                    | Rs. 6 per direct labour hour |
| Production Costs                  | 55% of Prime Cost            |
| Selling and Distribution Overhead | 20% of Production Cost       |

You are required to prepare:

- i) Job Cost Sheet for Job No. 8811 showing profit
- ii) Job Cost Sheet for Job No. 8891 showing Price of the job if profit margin of 25% on cost is fixed.

**(20 Marks)**

Q.2 Mr. Jack owns a bus which runs according to the following schedule:

Margao to Mapusa and back on the same day:

Distance covered: 50 kms one way

Number of days each month: 8 days

Seating capacity occupied: 90%

Margaoto Quepem and back, the same day:

Distance covered: 40 kms one way

Number of days each month: 10 days

Seating capacity occupied: 85%

Margao to Bicholim and back, the same day:

Distance covered: 90 kms one way

Number of days each month: 6 days

Seating capacity occupied: 100%

Following are the other details:

|  |                      |
|--|----------------------|
| Cost of the bus:                             | Rs. 18,00,000        |
| Salary of the driver:                        | Rs. 8,400 per month  |
| Salary of the conductor:                     | Rs. 6,600 per month  |
| Salary of the part time accountant:          | Rs. 600 per month    |
| Insurance of the bus:                        | Rs. 14,400 per annum |
| Diesel consumption 4 kms per litre at        | Rs. 18 per litre     |
| Road tax:                                    | Rs. 4,500 per annum  |
| Lubricant oil:                               | Rs. 30 per 100 kms.  |
| Permit fee:                                  | Rs. 945 per month    |
| Repairs and maintenance:                     | Rs. 3000 per month   |
| Depreciation of the bus:                     | @20% per annum       |
| Seating capacity of the bus:                 | 50 persons           |
| Passenger tax is 20% of total operating cost |                      |

You are required to calculate the fair to be charged from each passenger to earn a profit on 30% on total operating cost for each journey. **(20 Marks)**

Q.3 Following details is the Profit and Loss Account of Green Products Ltd. for the year ended 31<sup>st</sup> December 2021.

| Particulars                 | Amt. (Rs.)       | Particulars                                    | Amt. (Rs.)       |
|-----------------------------|------------------|--|------------------|
| To Materials Consumed       | 5,20,000         | By Sales (16,000 kgs)                          | 20,72,000        |
| To Direct wages             | 2,55,000         | By Rent Income                                 | 1,50,000         |
| To Factory Overheads        | 3,60,000         | By Closing Stock of Finished Goods (2,000 kgs) | 1,50,000         |
| To Administrative Overheads | 4,00,000         |  |                  |
| To Sales Overheads          | 8,00,000         |  |                  |
| To Income Tax               | 30,000           |  |                  |
| To Net Profit               | 7,000            |  |                  |
|                             | <b>23,72,000</b> |  | <b>23,72,000</b> |

For the same period Cost Accounts Records showed the following:

1. Materials consumed 20,000 kgs @Rs. 27 per kg.
2. Direct wages 3,000 Man days @Rs. 90 per Man Day.
3. Factory Overheads @20% of the Prime Cost.
4. Administrative Overheads @Rs. 30 kg of output produced.
5. Sales overheads @ Rs. 50 per kg of output sold.
6. Closing stock of Finished goods was valued at cost of production.
7. Selling price was Rs. 135 per kg.

Prepare:

- i) Cost statement for the year ended 31<sup>st</sup> December 2021, and
- ii) Statement showing difference between records in cost accounts and financial accounts
- iii) Statement of Reconciliation. (20 Marks)

Q.4 A. Prepare a Batch Cost sheet of a Bakery outlet showing the cost of Batch no. 3930 of 20,000 muffins from the following information. The batch passes from three different departments are given below:

Direct Material Requirements:

Mixing Dept 1,08,000kgs @Rs. 10 per kg

Baking Dept 12,000kgs @Rs. 8 per kg

Icing Dept 10,000kgs @Rs. 20 per kg

Direct Wages to be paid:

Mixing Dept 20,000 hrs @ Rs. 2 per hour

Baking Dept 4,000 hrs @Rs. 2.5 per hour

Icing Dept 20,000 hrs @Rs. 1.5 per hour

Factory Overheads:

Mixing Dept 150% on direct wages

Baking Dept Rs. 10 per labour hour

Icing Dept 66 2/3<sup>rd</sup> on Direct Wages

After the batch is complete, 12,000 kgs of raw material issued to Mixing Department are found to be surplus and returned to the store. (10 Marks)

B. Prepare a reconciliation statement from the following discrepancies given in the books of M/s Foxwood Ltd. for the year ended 31<sup>st</sup> December 2021. (10 Marks)

| Particulars   | Amt. (Rs.) |
|---|------------|
| Net loss as per Costing records                       | 5,17,200   |
| Factory overheads under recovered in Costing          | 9,360      |
| Administrative Overheads recovered in excess          | 5,100      |
| Depreciation charged in Financial records             | 33,600     |
| Depreciation recovered in Costing records             | 37,500     |
| Interest received but not included in Costing records | 24,000     |
| Obsolescence charged (loss) in Financial records      | 17,100     |
| Income tax provided in Financial books                | 1,20,900   |
| Bank interest credited in Financial Books             | 2,250      |
| Stores adjustment (credit) in Financial Books         | 1,425      |

|   |          |
|---|----------|
| Value of Opening Stock:   |          |
| Cost Accounts   | 1,57,800 |
| Financial Accounts  | 1,62,000 |
| Value of Closing Stock:   |          |
| Cost Accounts   | 1,56,000 |
| Financial Accounts  | 1,48,800 |
| Interest Charged in Cost Accounts but not in Financial Accounts | 18,000   |
| Preliminary Expenses written off in Financial Accounts          | 2,400    |
| Provision for doubtful debt in Financial Accounts               | 450      |

Q.5 A. FastBird Travels owns five passenger buses. The costs of the buses are Rs. 50,00,000, Rs. 12,00,000, Rs. 45,00,000, Rs. 55,00,000 and Rs. 80,00,000.

The following data is given for the year 2021.

|                                    |                          |
|------------------------------------|--------------------------|
| Depreciation                       | 20% on the cost p.a.     |
| Annual repairs                     | 80% of depreciation      |
| Wages for 10 drivers               | Rs. 60,000 each p.m.     |
| Wages for 10 cleaners              | Rs. 30,000 each p.m.     |
| Interest on Loan                   | 8% on Capital            |
| Realisation of old tyres and tubes | Rs. 36,000 half yearly   |
| Rent of six garages                | Rs. 1000 p.m. each       |
| Diesel, oil, etc. For the year     | Rs. 1,87,20,000          |
| Director's fees                    | Rs. 9000 p.m.            |
| Office establishment               | Rs. 60,000 p.m.          |
| Licenses and taxes                 | Rs. 4,00,000 half yearly |

900 passengers were carried over 1600 kms during the year. Prepare an operating cost sheet for the year 2021 showing cost per passenger km. (10 Marks)

B. Explain the advantages and limitations of Job Costing.

(10 Marks)

Q.6 Write short notes on *any four* of the following:

(4x5=20 Marks)

a. Economic Batch Quantity.

- b. Entertainment Costing.
- c. Reasons for disagreements in financial profit and costing profit.
- d. Scheme of Cost Control.
- e. Merits of Cost Control.
- f. Difference between Tenders and Quotations.