

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
	11,200

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 31st 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		
	23,72,000		23,72,000

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 31st 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 2/3rd 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 31st 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:	1,57,800
Cost Accounts	1,62,000
Financial Accounts	
Value of Closing Stock:	1,56,000
Cost Accounts	1,48,800
Financial Accounts	
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.