

Vidya Vikas Mandal's
 Shree Damodar College of Commerce & Economics, Margao-Goa
 TY B.Com, Semester VI, (CBCS), Repeat Semester End Examination, November 2022
 Cost and Management Accounting(DSE 7)
 Advanced Cost Accounting Costing- II COD126

Duration: 2hrs

Max Marks: 80

Instructions:

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Question No.1 is Compulsory.
- 4) Answer any three questions from Q. No. 2 to Q. No.6.
- 5) All Questions carry equal marks.
- 6) Enter the appropriate main & sub-questions numbers in the answer- book

Q.1) A certain product passes through two processes desired be transferred to finished stock. The following information is obtained for the month of March 2017

Items	Process I Rs.	Process II Rs.	Finished Stock
Opening stock	7,500	9,000	22,500
Direct material	15,000	15,750	----
Direct wages	11,200	11,250	----
Production overheads	10,500	4,500	----
Closing stock	3,700	4,500	11,250
Inter-process profits for opening stock	-----	1,500	8,250
Profit % on transfer price to the next process	25%	20%	----

Stocks in processes are valued at prime cost and finished stock has been valued at the price which it was received from Process II. Sales during the period were Rs. 1,40,000.

Prepare and compute:

- (a) Process cost accounts showing profit element at each stage;
- (b) Actual realised profit; and
- (c) Stock valuation for balance sheet purposes.

Q.2) The following information relates to Process X for May 2015

Opening work-in-progress 200 units

Introduced during the month 1,600 units

Completed during the month 1,480 units

Closing work-in-progress 320 units

Degree of Completion	Material	Labour	Overhead
Opening work-in-progress	100%	50%	50%
Closing work-in-progress	100%	25%	25%
Costs:	Rs.	Rs.	Rs.
Opening work-in-progress	2,396	320	320
Incurred during the period	19,200	6,368	6,368

Assuming materials were introduced in the beginning of the process and labour and overhead were incurred uniformly throughout the process, prepare process account using: (a) FIFO Method

Q.3) CharuDutta Enterprises operates on integral system of accounting. You are required to pass journal entries for the transactions that took place for the year ended 30/6/2018

Particulars	Amount
Raw Material purchased (50% credit)	6,00,000
Direct Material issued to production	4,00,000
Wages paid (50% direct)	2,00,000
Wages charged to production	1,00,000
Factory overheads incurred	80,000
Factory overheads charged to production	1,00,000
Selling & Distribution cost incurred	40,000
Finished product at cost	5,00,000
Sales (on 50% credit basis)	7,50,000
Receipt from customers	2,00,000
Paid to creditors	2,00,000
Closing stock	-----

Q.4) From the following data write up the various accounts as you envisage in the cost ledger and prepare a Trial balance as on 31st March 2012

Balances as on 1 st April 2011	
Particulars	Rs (in '000)
Material control	1240
Work in progress	625
Finished goods	1240
Production overheads	84(Dr)
Administration overheads	120(Cr)
Selling & distribution overheads	65(Dr)
General Ledger control	3134(Cr)
Transaction for the year ended 31 st March 2012	
Materials- Purchases	4801
Materials-issued to	
a) production	4774

b) maintenance works	412
c) administrative offices	34
d) selling department	72
Direct wages	1493
Indirect wages	650
Carriage inwards	84
Production overheads :	
Incurred	2423
Absorbed	3591
Administration overheads	
Incurred	740
Allocated to production	529
Allocated to sales	148
Sales overheads	
Incurred	642
Absorbed	820
Finished goods produced	9584
Finished goods sold	9773
Sales realisation	12430

Q.5) M&S Ltd. Undertook a contract for erecting a sewerage treatment plant for a municipality for a total value of Rs 24 lakhs. You are required to prepare a Contract A/c for the year ending 31st March 2010 from the following particulars

1	Wages	Rs 6,00,000
2	Special plant	Rs 2,00,000
3	Materials	Rs 3,00,000
4	Overheads	Rs 1,20,000
5	Depreciation @10% to be provided on plant.	
6	Material lying on site on 31/03/10	Rs 40,000
7	Work certified was to the extent of Rs 16,00,000 and 80% of the same was received in cash.	
8	5% of the value of materials issued & 6% of the wages may be taken to have been incurred for the portion of work completed but not yet certified.	
9	Overheads are charged as % of direct wages.	

Ascertain the amount to be transferred to P&L A/c on the basis of realised profit. (20 marks)

Q.6 Write short notes on any 4 from the following:

(4 x 5marks = 20 marks)

- 1) Equivalent Production
- 2) Objectives of uniform costing
- 3) Need for activity Based accounting.
- 4) Steps involved in implementing Activity Based Costing
- 5) Scope for uniform costing
- 6) Meaning & advantages of inter process profits