Roll. No. ____________

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
TY B.Com, Semester-VI, Repeat Semester End Examination April-May 2023
Cost Accounting (DSE V) Truncated Syllabus 2021-22
(COD 118) - 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 Paulo Transports owns a bus which runs according to the following schedule:

Margao to Quepem and back on the same day:

Distance Covered: 15 kms one way

Number of days each month: 8 days

Seating capacity occupied: 85%

Margao to Cancona and back, the same day:

Distance covered: 12 kms one way

Number of days each month: 10 days

Seating capacity occupied: 90%

Margao to Pernem and back, the same day:

Distance covered: 27 kms one way

Number of days each month: 6 days

Seating capacity occupied: 100%

Following are the other details:

Cost of the bus: Rs. 3,00,000

Salary of the driver: Rs. 1,400 per month

Salary of the conductor: Rs. 1,100 per month

Salary of the part time accountant: Rs. 100 per month

Insurance of the bus: Rs. 2,400 per annum

Diesel consumption 4 kms per litre at Rs. 3 per litre

Road tax: Rs. 750 per annum

Lubricant oil: Rs. 5 per 20 kms.

Permit fee: Rs. 150 per month

Repairs and maintenance: Rs. 500 per month

Depreciation of the bus: @20% per annum

Seating capacity of the bus: 50 persons

Passanger tax is 20% of the total cost

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

Q.2 Speddy Mobile Spares undertakes supply of 1,000 parts per month in the market for the ensuring 6 months. Every month, a batch order for parts is opened against which materials and labour is booked at actual cost. Overheads are levied at a rate equal to per labour hour. The selling price contracted for is Rs. 50 per part. From the following data, calculate the cost and profit per part of each batch order and overall position of the order of 6,000 parts.

Month	Batch Output	Material Cost (Rs.)	Direct wages (Rs.)	Direct Labour Hours
July	210	650	120	240
August	200	640	140	280
September	220	680	150	280
October	180	630	140	270
November	200	700	150	300
December	220	720	160	320

The other details are:

Chargeable expenses	Direct labour hours
10,800	500
9,504	1,400
10,800	550
9,504	500
11,700	500
10,800	500

(20 Marks)

Q.3 From the given Profit and Loss a/c of Kay Ltd., prepare a cost sheet for the year ending 31st December 2021 and reconcile the profit disclosed in cost accounts with those shown in financial accounts.

Profit and Loss a/c for the year ending 31st December 2021

Particulars	**Amt. (Rs.)**	**Particulars**	**Amt. (Rs.)**
To Labour	37,750	By Sales (6,000 units)	1,50,000
To Materials	68,500	By Closing Stock of Finished Goods (200 units)	4,000
To Factory Expenses	20,750	By Closing Stock of Work-in-progress	3,000
To Expenses on Administration	9,560	By Dividend Received	450
To Selling Expenses	11,250		
To Goodwill Written off	500		
To Preliminary Expenses Written off	1,000		
To Net Profit	8,140		
	1,57,450		**1,57,450**

Additional Information is available in cost accounts:

1. Factory expenses have been allocated to the production at 20% on Prime Cost.
2. Expenses of administration at Rs. 1.5 per unit produced.
3. Selling expenses at Rs.30 per unit sold.

(20 Marks)

Q.4 A. The following direct costs were incurred on Job No 166 of Crystal & Co.

Direct Materials - Rs. 24,060

Wages - Dept P: 360 hrs @Rs. 9 per hr., Dept Q: 240 hrs @ Rs. 12 per hr. And Dept R: 120hrs @ Rs. 30 per hr.

Overhead expenses for these three departments were estimated as follows:

Variable overheads - Dept P: Rs. 30,000 for 30,000 labour hr, Dept Q: Rs. 18,000 for 9,000 labour hrs and Dept Q: Rs. 12,000 for 3,000 labour hrs

Fixed Overheads - Estimated at Rs. 1,20,000 for 60,000 normal working hrs.

You are required to calculate the cost of Job No.166 and calculate the price to give profit of 25% on selling price. **(10 Marks)**

B. Describe the advantages of Reconciliation of Costing Profit with Financial Profit. **(10 Marks)**

Q.5 A. Overnight Delivery transport company supplies the following information in respect of Lorry of Six tonne capacity.

Cost of truck	Rs. 36,00,000
Estimated life	8 years
Insurance	Rs. 1,92,000 a year
Tax	Rs. 96,000 a year
Driver's wages	Rs. 20,000 per month
Cleaner's wages	Rs. 10,000 per month
Diesel, oil and grease	Rs. 600 per trip each way
Repairs and Maintenance	Rs. 20,000 per month
General supervision charges	Rs. 1,92,000 a year

The Lorry carries goods to and from, city covering a distance of 100 km on each way. While going to the city, freight is available to the extent of full capacity. Assuming that the ruck run on an average 25 days a month, find out operating cost per ton km. Also find out the rate per ton trip that the transport company should charge if profit of 50% on cost. **(10 Marks)**

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B. i) Economic batch Quantity. **(5 Marks)**

ii) Yummy Treats & Co. is committing to supply 36,000 chocolate boxes per annum to House of Candy Co. on a steady daily basis. It is estimated that it costs 15 paise as inventory holding cost per Chocolate Box per month and that the set up cost per Chccolate Box manufacture is Rs. 492. Calculate

i) the optimum run size for the tire manufacture.

ii) number of runs in which the tires can be manufactured in a year.

iii) the interval between two consecutive optimum runs. **(5 Marks)**

Q.6 Write short notes on any four of the following: **(4x5 = Marks)**

a. Techniques of Cost Control.

b. Difference between Batch Costing and Job Costing.

c. Features of Entertainment Costing.

d. Reasons for difference in financial profit and costing profit.

e. Economic Batch Quantity.

f. Objectives of Cost Control.