

Vidya Vikas Mandal's  
Shree Damodar College of Commerce & Economics, Margao- Goa  
First Year BBA (FS) – Semester II  
End Semester Examination, April 2017

**COST ACCOUNTING**

Duration: 2 Hours

Max.Marks: 60

**Instructions:**

- *Figures to the right indicate maximum marks*
- *Answer any FIVE questions from the following*
- *Start each new question on a fresh page*

Q.1. The following data has been extracted from the books of Sundeeep Industries Ltd for the year 2015: (12)

Particulars	Amount (Rs)	Particulars	Amount (Rs)
Power expenses	6,500	Material purchased	1,85,000
Counting house salaries	12,600	Travelling expenses	2,100
Carriage outward	4,300	Travelers salaries and commission	7,700
Carriage on purchases	7,150	Productive wages	1,26,000
Bad debts written off	6,500	Depreciation on plant	6,500
Repairs of plant	4,450	Depreciation on furniture	300
Rent of factory	8,500	Directors fees	6,000
Rent of office	2,000	Gas and water of factory	1,200
Sales	4,61,100	Gas and water of office	400
Stock of materials on 31.12.2014	62,800	Managers salary (3/4 factory and 1/4 office)	10,000
Stock of materials on 31.12.2015	48,000	General expenses	3,400

Prepare statement giving the following information:

- a) Material consumed
- b) Prime cost
- c) Factory overhead and the percentage on wages
- d) Factory cost
- e) General overhead and the percentage on factory cost
- f) Total cost
- g) Net profit

Q.2. The following is the history of the receipt and issues of material in a factory during January 2016:

(12)

Date	Particulars
1 <sup>st</sup> January 2016	Opening Balance 10,850 kg @ Rs.130 per kg
2 <sup>nd</sup> January 2016	Received from vendor 20,000 kg @ Rs.134 per kg
3 <sup>rd</sup> January 2016	Issued 6,750 kg to production
5 <sup>th</sup> January 2016	Issued 8,500 kg to production
6 <sup>th</sup> January 2016	Return by Production 550 kg @ Rs.134 per kg
7 <sup>th</sup> January 2016	Received from vendor 17,550 kg @ Rs.128 per kg
8 <sup>th</sup> January 2016	Issued 11,250 kg to production
9 <sup>th</sup> January 2016	Physical stock verifier found a shortage of 250 kg
10 <sup>th</sup> January 2016	Issued 8,950 kg to production
12 <sup>th</sup> January 2016	Issued 6,300 kg to production
15 <sup>th</sup> January 2016	Received from vendor 10,000 kg @ Rs.132 per kg
16 <sup>th</sup> January 2016	Issued 7,750 kg to production

Prepare Store Ledgers under LIFO Method.

Q.3.a) "Inter process profits enable to measure the efficiency of each process of production process." Comment.

(04)

Q.3.b) Prepare the three Process Accounts from the following:

(08)

The product of a company passes through three distinct processes to completion. They are known as A, B and C. It is ascertained that wastage is incurred in each process as under:

Process A: 3%, Process B: 5%, Process C: 8%,

In each case the percentage of wastage is computed on the number of units entering the process concerned.

The wastage of each process possesses a scrap value. The wastage of process A was sold at Re.0.25 per unit, process B at Rs. 0.50 per unit and process C at Re.1 per unit. 10,000 units were introduced in process A at a cost of Re.1 per unit.

The following information is obtained:

Expenditure	Process A	Process B	Process C
Sundry Materials	Rs.1,000	Rs.1,500	Rs.500
Labour	Rs.5,000	Rs.8,000	Rs.6,500
Direct Expenses	Rs.1,050	Rs.1,188	Rs.2,009
Actual Output (units)	9,500	9,100	8,100



Q.4. Suraj Construction Ltd has undertaken the construction of a bridge. The value of the contract is Rs.12,50,000.

(12)

The following are the details as shown in the books on 30<sup>th</sup> June 2014:

Particulars	Rs.	Particulars	Rs.
Labour at site	4,05,000	Wages accrued on 30 <sup>th</sup> June 2014	7,800
Direct Material	4,20,000	Direct expenses accrued on 30/06/ 2014	1,600
Material from store	81,200	Work not yet certified	16,500
Plant at site	12,100	Account certified by the engineer	11,00,000
Direct Expenses	23,000	Cash received	8,80,000
General Overhead Expenses	37,100		
Material in hand on 30/06/2014	6,300		

You are required to prepare Contract Account and Balance Sheet.

Q.5.a) In a factory two types of car toys are manufactured, Kidz and Buds toy.

(06)

From the following particulars, prepare a statement showing cost and profit per toy sold.

Particulars	Kidz (Rs.)	Buds (Rs.)
Material	27,300	1,08,680
Labour	15,600	62,920

Works overhead is charged at 80% on labour and office overhead is taken at 15% on works cost. The selling price of both toys is Rs.1,000 per toy. 78 Orient Kidz toy and 286 Buds toy were sold.

Q.5.b) Shoon Ltd has purchased and issued materials in the following order in the month of March 2016.

(06)

Date	Particulars
1 <sup>st</sup> January 2016	Received 500 units @ Rs.20 per unit
10 <sup>th</sup> January 2016	Received 300 units @ Rs.24 per unit
15 <sup>th</sup> January 2016	Issued 700 units
20 <sup>th</sup> January 2016	Received 400 units @ Rs.28 per unit
25 <sup>th</sup> January 2016	Issued 300 units
27 <sup>th</sup> January 2016	Received 500 units @ Rs.22 per unit

Prepare Store Ledgers under Weighted Average Method.

Q.6. a) Explain the relevance of Cost Accounting in manufacturing organization.

(06)

b) What do you mean by Inventory Valuation? Discuss the different methods of Inventory valuation.

(06)

Q.7. a) 'Unit Costing is identical for organizations which produce one product in large scale'.

Justify the statement.

(06)

b) Explain the meaning of Job Costing Order with help of an example.

(06)

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